BNP PARIBAS
CORPORATE & INVESTMENT BANKING

BASE LISTING DOCUMENT DATED 29 MARCH 2012

If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

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Base Listing Document relating to Structured Products to be issued by BNP Paribas Arbitrage Issuance B.V.

(Incorporated in the Netherlands with its statutory seat in Amsterdam)

unconditionally and irrevocably guaranteed by BNP Paribas

(incorporated in France)

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and is published for the purpose of giving information with regard to us, BNP Paribas (the "**Guarantor**") and our warrants (the "**Warrants**"), callable bull/bear contracts ("**CBBCs**") and other structured products (together, the "**Structured Products**") to be listed on the Stock Exchange from time to time. This document may be updated and/or amended from time to time by way of addenda. You must ask us if any addenda to this document have been issued.

Our obligations under the Structured Products are guaranteed by the Guarantor under a guarantee executed by the Guarantor dated as of 29 March 2012 (the "**Guarantee**"). **We and the Guarantor accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.**

These are Structured Products involving derivatives. You should not invest in the Structured Products unless you fully understand and are willing to assume the risks associated with them.

Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products constitute our general, unsecured and contractual obligations and of no other person, and the Guarantee in respect of the Structured Products constitute the general, unsecured and contractual obligations of the Guarantor and of no other person. The Structured Products will rank equally among themselves and with all our other unsecured obligations and all other unsecured obligations of the Guarantor (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the trustee or the manager of the underlying unit trust; or (c) the index compiler of any underlying index.

Sponsor

BNP Paribas Securities (Asia) Limited

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You should carefully study the risk factors set out in this document and the Listing Documents

What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire any Structured Products.

What documents should you read before investing in the Structured Products?

A supplemental listing document will be issued on the issue date of each series of Structured Products which will set out the detailed commercial terms of the relevant series. You must read this document (including any addendum to this document to be issued from time to time) together with such supplemental listing document (including any addendum to such supplemental listing document to be issued from time to time) (together, the "**Listing Documents**") before investing in any Structured Products. You should carefully study the risk factors set out in the Listing Documents.

What are the Guarantor 's credit ratings?

Our obligations in relation to the Structured Products will be unconditionally and irrevocably guaranteed by the Guarantor under the Guarantee. The Guarantor's long term debt ratings as of 28 March 2012 are:

Rating agency	***Rating***
Moody's Investors Service, Inc.	Aa3
Standard & Poor 's Ratings Group	AA-
Fitch Ratings	A+

Rating agencies usually receive a fee from the entities that they rate. When evaluating the Guarantor 's creditworthiness, you should not solely rely on the Guarantor's credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Structured Products;
- credit ratings of the Guarantor may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and
- a high credit rating is not necessarily indicative of low risk. The Guarantor's credit ratings as of the above date are for reference only and may be subject to change thereafter. You may visit *www.bnpparibas.com* to obtain information about the credit ratings of the Guarantor. Any downgrading of the Guarantor's credit ratings could result in a reduction in the value of the Structured Products.

The Structured Products are not rated.

Are we regulated by any bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules?

We are not regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules. The Guarantor is regulated by the Hong Kong Monetary Authority. The Guarantor is also regulated by Comité des Etablissements de Crédit et des Entreprises d'Investissement.

Are we subject to any litigation?

Save as disclosed in this document, we, the Guarantor and our respective subsidiaries ("**BNP Group**") are not aware of any litigation or claims of material importance pending or threatened against us or them.

Authorisation for the issue of the Structured Products

The issue of the Structured Products was authorised by our board of directors on 11 May 2011.

Has the Guarantor's financial position changed since last financial year-end?

Save as disclosed in Appendix 4 of this document, there has been no material adverse change in the Guarantor 's financial or trading position since 31 December 2011.

Do you need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission ("**SFC**") charges a transaction levy of 0.003 per cent. in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Structured Products. The levy for the investor compensation fund is currently suspended.

Do you need to pay any tax?

You may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of your purchase in addition to the issue price of each Structured Product. See the section headed "Taxation" for further information.

Placing, sale and grey market dealings

No action has been or will be taken by us that would permit a public offering of any series of Structured Products or possession or distribution of any offering material in relation to any Structured Products in any jurisdiction (other than Hong Kong) where action for the purpose is required. No offers, sales, re-sales, transfers or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and which will not impose any obligation on us or the Guarantor. See the section headed "Placing and Sale" for further information.

Following the launch of a series of Structured Products, we may place all or part of that series with our related party. The Structured Products may be sold to investors in the grey market in the period between the launch date and the listing date. We will report any dealings in Structured Products by any member of the BNP Group in the grey market to the Stock Exchange on the listing date through the website of the HKEx at *www.hkex.com.hk*.

Where can you inspect the relevant documents?

The following documents are available for inspection during usual business hours on any weekday (except public holidays) at the office of our legal advisers, King & Wood Mallesons at 13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong:

(a) our latest audited financial statements and any interim or quarterly financial statements and the latest audited financial statements and any interim or quarterly financial statements of the Guarantor;

(b) the consent letter of the Guarantor's auditors, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars (the "**Auditors**");

(c) this document and any addendum to this document;

(d) the supplemental listing document as long as the relevant series of Structured Products is listed on the Stock Exchange;

(e) the instrument executed by us on 3 May 2006 which constitutes the Structured Products; and

(f) the Guarantee.

Requests for photocopies of the above documents will be subject to a reasonable fee which reflects the costs of making such copies.

The Listing Documents are also available on the website of the HKEx at *http://www.hkex.com.hk/eng/dwrc/search/listsearch.asp* and our website at *http://www.bnppwarrant.com.hk*.

各上市文件亦可於香港交易所網站 (*http://www.hkex.com.hk/chi/dwrc/search/listsearch_c.asp*) 及我們的網站 (*http://www.bnppwarrant.com.hk*) 瀏覽。

Have the Auditors consented to the inclusion of their reports in this document?

As at the date of this document, the Guarantor's Auditors have given and have not withdrawn their written consent to the inclusion of their report dated 7 March 2012 on the consolidated financial statements of the Guarantor for the year ended 31 December 2011 in this document and/or the references to their names in the Listing Documents, in the form and context in which they are included. Their report was not prepared for incorporation into this document.

The Auditors do not hold the Guarantor's shares or shares in its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Guarantor's securities or securities of any of its subsidiaries.

How can you get further information about BNP Paribas?

You may visit our website at *www.bnpparibas.com* to obtain further information about us and/or the Guarantor.

You must note that the information on our website will be of a general nature and cannot be relied upon as accurate and/or correct and will not have been prepared exclusively for the purposes of any particular financial instrument issued by us, including the Structured Products.

Authorised representatives

Emily Yu of 29th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong and Edmond Kwok of 60th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, are our authorised representatives and are authorised to accept services on our behalf in Hong Kong.

Governing law of the Structured Products

All contractual documentation for the Structured Products will be governed by, and construed in accordance with, the laws of Hong Kong.

The Listing Documents are not the sole basis for making an investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us, the Guarantor or our respective affiliates to invest in the Structured Products or the underlying asset of the Structured Products.

No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Structured Products, and, if given or made, such information or representations must not be relied upon as having been authorised by us or the Guarantor.

The Stock Exchange and HKSCC have made no assessment of, nor taken any responsibility for, our financial soundness or the merits of investing in any Structured Products, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

Capitalised terms

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the General Conditions set out in Appendix 1 and the Product Conditions applicable to the relevant series of Structured Products set out in Appendices 2 and 3 respectively (together, the "**Conditions**").

OVERVIEW OF WARRANTS

What is a derivative warrant?

A derivative warrant linked to a share, an unit, a commodity, a commodity future, an index, a currency pair or other assets (each an "**Underlying Asset**") is an instrument which gives the holder a right to "buy" or "sell" an Underlying Asset at, or derives its value by reference to, a pre-set price/level/exchange rate called the Exercise Price/Strike Price/Strike Level/Strike Rate on the Expiry Date. It usually costs a fraction of the value of the Underlying Asset.

A derivative warrant may provide leveraged return to you (but conversely, it could also magnify your losses).

How and when can you get back your investment?

Our Warrants are European Style warrants. This means they can only be exercised on the Expiry Date.

A Warrant will, upon exercise on the Expiry Date, entitle you to a cash amount called the "**Cash Settlement Amount**" (net of any Exercise Expenses)(if positive) according to the applicable Conditions.

You will receive the Cash Settlement Amount less any Exercise Expenses upon settlement at expiry. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable to you and you will lose your entire investment.

How do our Warrants work?

Ordinary Warrants

The potential payoff upon expiry or exercise of the Warrants is calculated by us by reference to the difference between:

(a) for a Warrant linked to a security, commodity or commodity future, the Exercise Price/Strike Price and Closing Price/Average Price;

(b) for a Warrant linked to an index, the Strike Level and the Closing Level; and

(c) for a Warrant linked to a currency pair, the Strike Rate and the Spot Rate.

Call Warrants

A call Warrant is suitable to you if you hold a bullish view on the price/level/exchange rate of the Underlying Asset during the term of that call Warrant.

A call Warrant will be exercised if the Average Price /Closing Price/ Closing Level/Spot Rate is greater than Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be). The more the Average Price/Closing Price/Closing Level/Spot Rate exceeds the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be), the higher the payoff upon expiry or exercise. If the Average Price/Closing Price/ Closing Level/Spot Rate is at or below the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be), you will lose all your investment.

Put Warrants

A put Warrant is suitable to you if you hold a bearish view on the price/level/exchange rate of the Underlying Asset during the term of that put Warrant.

A put Warrant will be exercised if the Average Price/Closing Price/Closing Level/Spot Rate is below the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be). The more the Average Price/Closing Price/Closing Level/Spot Rate is below the Exercise Price/Strike Price/Strike level/Strike Rate (as the case may be), the higher the payoff upon expiry or exercise. If the Exercise Price/Strike Price/Strike Level/Strike Rate is at or below the Average Price/Closing Price/Closing Level/Spot Rate (as the case may be), you will lose all your investment.

Other types of warrants

The supplemental listing document applicable to other types of Warrants will specify the type of such Warrants and whether such Warrants are exotic Warrants.

Where can you find the Product Conditions applicable to our Warrants?

You should review the Product Conditions applicable to each type of the Warrants before your investment.

The Product Conditions applicable to each type of our Warrants are set out in Parts A to F of Appendix 2 (as may be supplemented by any addendum and/or the relevant supplemental listing document).

What are the factors determining the price of a derivative warrant?

The price of a Warrant generally depends on the prevailing price/level/exchange rate of the Underlying Asset. However, throughout the term of a Warrant, its price/level/exchange rate will be influenced by one or more of the following factors, including:

(a) the Exercise Price/Strike Price/Strike Level/ Strike Rate applicable to that Warrant;

(b) the volatility of the price/level/exchange rate of the Underlying Asset (being a measure of the fluctuation in the price/level/ exchange rate of the Underlying Asset);

(c) the time remaining to expiry: generally, the longer the remaining life of the Warrant, the greater its value;

(d) interest rates;

(e) expected dividend payments or other distributions (if any) on the Underlying Asset or on any components comprising the underlying index;

(f) the supply and demand for the Warrant; and/or

(g) our creditworthiness and the creditworthiness of the Guarantor.

What is your maximum loss?

Your maximum loss in our Warrants will be limited to your investment amount plus any transaction costs.

How can you get information about the Warrants after issue?

You may visit the HKEx's website at *http://www.hkex.com.hk/prod/dwrc/dw.htm* or our website at *http://www.bnppwarrant.com.hk* to obtain further information on derivative warrants or any notice given by us or the Stock Exchange in relation to our Warrants.

What are CBBCs?

CBBCs are a type of Structured Products that track the performance of an Underlying Asset. CBBCs can be issued on different types of Underlying Assets as prescribed by the Stock Exchange from time to time, including:

(a) securities listed on the Stock Exchange;

(b) Hang Seng Index, Hang Seng China Enterprises Index and Hang Seng China H-Financials Index; and/or

(c) overseas securities, overseas indices, currencies, commodities (such as oil, gold and platinum), commodity futures or other assets as prescribed by the Stock Exchange from time to time.

A list of eligible Underlying Assets for CBBCs is available on the website of the HKEx at *http://www.hkex.com.hk/eng/prod/secprod/cbbc/underlying_latest.htm*.

CBBCs are issued either as callable bull contracts ("**bull CBBCs**") or callable bear contracts ("**bear CBBCs**"), allowing you to take either bullish or bearish positions on the Underlying Asset.

Bull CBBCs are designed for investors who have an optimistic view on the Underlying Asset. Bear CBBCs are designed for investors who have a pessimistic view on the Underlying Asset.

CBBCs have a mandatory call feature (the "**Mandatory Call Event**") and, subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed, we must terminate our CBBCs upon the occurrence of a Mandatory Call Event. See "What are the mandatory call feature of CBBCs?" below.

There are 2 categories of CBBCs, namely:

(a) Category R CBBCs; and

(b) Category N CBBCs.

Your entitlement following the occurrence of a Mandatory Call Event will depend on the category of the CBBCs.

If no Mandatory Call Event occurs, the CBBCs will be exercised automatically on the Expiry Date by payment of a Cash Settlement Amount (if any). The Cash Settlement Amount (if any) payable at expiry represents the difference between the Closing Price/Closing Level of the Underlying Asset on the Valuation Date and the Strike Price/Strike Level.

The Conditions applicable to CBBCs are set out in Parts A, B and C of Appendix 3 (as may be supplemented by any addendum or the relevant supplemental listing document).

What are the mandatory call feature of CBBCs?

Mandatory Call Event

Subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed, we must terminate the CBBCs if a Mandatory Call Event occurs. A Mandatory Call Event occurs if the Spot Price/Spot Level of the Underlying Asset is:

(a) at or below the Call Price/Call Level (in the case of a series of bull CBBCs); or

(b) at or above the Call Price/Call Level (in the case of a series of bear CBBCs),

at any time during the Observation Period.

The Observation Period starts from and including the Observation Commencement Date of the relevant CBBCs and ends on and including the Trading Day immediately preceding the Expiry Date.

Subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed and such modification and amendment as may be prescribed by the Stock Exchange from time to time:

(a) all trades in the CBBCs concluded via auto-matching or manually after the time of the occurrence of a Mandatory Call Event; and

(b) where the Mandatory Call Event occurs during a pre-opening session or closing auction session (if applicable), all auction trades in the CBBCs concluded in such session and all manual trades concluded after the end of the pre-order matching period in such session, will be invalid and cancelled, and will not be recognised by us or the Stock Exchange.

The time at which a Mandatory Call Event occurs will be determined by reference to:

(a) in respect of CBBCs over single equities ("**Single Equity CBBCs**") or CBBCs over single unit trust ("**Single Unit Trust CBBCs**"), the Stock Exchange's automatic order matching and execution system time at which the Spot Price is at or below the Call Price (for a series of bull CBBCs) or is at or above the Call Price (for a series of bear CBBCs); or

(b) in respect of CBBCs over index ("**Index CBBCs**"), the time the relevant Spot Level is published by the index compiler at which the Spot Level is at or below the Call Level (for a series of bull CBBCs) or is at or above the Call Level (for a series of bear CBBCs),

subject to the rules and requirements as prescribed by the Stock Exchange from time to time.

Category R CBBCs vs. Category N CBBCs

The supplemental listing document for the relevant series of CBBCs will specify whether the CBBCs are Category R CBBCs or Category N CBBCs.

"**Category N CBBCs**" refer to CBBCs for which the Call Price/Call Level is equal to their Strike Price/Strike Level. In respect of a series of Category N CBBCs, you will not receive any cash payment following the occurrence of a Mandatory Call Event.

"**Category R CBBCs**" refer to CBBCs for which the Call Price/Call Level is different from their Strike Price/Strike Level. In respect of a series of Category R CBBCs, you may receive a cash payment called the "**Residual Value**" (net of any Exercise Expenses) upon the occurrence of a Mandatory Call Event. The amount of the Residual Value payable (if any) is calculated by reference to:

(a) in respect of a series of bull CBBCs, the difference between the Minimum Trade Price/Minimum Index Level and the Strike Price/Strike Level of the Underlying Asset; and

(b) in respect of a series of bear CBBCs, the difference between the Strike Price/Strike Level and the Maximum Trade Price/Maximum Index Level of the Underlying Asset.

You must read the applicable Product Conditions and the relevant supplemental listing document to obtain further information on the calculation formula of the Residual Value applicable to Category R CBBCs.

You may lose all of your investment in a particular series of CBBCs if:

(a) in the case of a series of bull CBBCs, the Minimum Trade Price/ Minimum Index Level of the Underlying Asset is equal to or less than the Strike Price/Strike Level; or

(b) in the case of a series of bear CBBCs, the Maximum Trade Price/ Maximum Index Level of the Underlying Asset is equal to or greater than the Strike Price/Strike Level.

Where can you find the Product Conditions applicable to our CBBCs?

You should review the Product Conditions applicable to each type of the CBBCs before your investment.

The Product Conditions applicable to each type of our CBBCs are set out in Appendix 3.

How is the funding cost calculated?

The issue price of a series of CBBCs is set by reference to (i) the difference between the initial reference spot price/level of the Underlying Asset as at the launch date of the CBBC and the Strike Price/Strike Level, plus (ii) if applicable, a funding cost.

The initial funding cost applicable to the CBBCs as of the launch date will be specified in the relevant supplemental listing document for the relevant series.

The funding cost is an amount determined by us based on a number of factors, including but not limited to the Strike Price/Strike Level, the prevailing interest rate and, for Single Equity CBBCs or Single Unit Trust CBBCs, the expected dividend/distribution yield in respect of the Underlying Asset.

The funding cost may fluctuate throughout the life of the CBBCs as the funding rate changes from time to time.

Further details about the funding cost applicable to a series of CBBCs will be described in the relevant supplemental listing document.

Do you own the Underlying Asset?

CBBCs convey no interest in the Underlying Asset. We may choose not to hold the Underlying Asset or any derivatives contracts linked to the Underlying Asset. There is no restriction through the issue of the CBBCs on the ability of the BNP Group to sell, pledge or otherwise convey all rights, titles and interests in any Underlying Asset or any derivatives products linked to the Underlying Asset.

What are the factors determining the price of a CBBC?

The price of a series of CBBCs tend to mirror the movement in the value of the Underlying Asset in dollar value (on the assumption of an entitlement ratio of one CBBC to one unit of Underlying Asset).

However, throughout the term of a CBBC, its price will be influenced by a number of factors, including:

(a) the Strike Price/Strike Level and the Call Price/Call Level;

(b) the likelihood of the occurrence of a Mandatory Call Event;

(c) for Category R CBBCs only, the probable range of the Residual Value payable upon the occurrence of a Mandatory Call Event;

(d) the time remaining to expiry;

(e) any change(s) in interim interest rates;

(f) expected dividend payments or other distribution on the Underlying Asset or on any components comprising the underlying index;

(g) the probable range of the Cash Settlement Amount;

(h) the supply and demand for the CBBCs;

(i) the depth of the market or liquidity of the Underlying Asset or of the future contracts relating to the underlying index;

(j) any related transaction costs; and/or

(k) our creditworthiness and the creditworthiness of the Guarantor.

What is your maximum loss?

Your maximum loss in CBBCs will be limited to your investment amount plus any transaction cost.

How can you get information about the CBBCs after issue?

You may visit the HKEx's website at *http://www.hkex.com.hk/eng/prod/secprod/cbbc/Intro.htm* or our website at *http://www.bnppwarrant.com.hk* to obtain further information on CBBCs or any notice given by us or the Stock Exchange in relation to our CBBCs.

DESCRIPTION OF THE ISSUER

History

Our name is:

BNP Paribas Arbitrage Issuance B.V.

We are a private limited company under Dutch law ("**besloten vennootschap met beperkte aansprakelijkheid**"), having its registered office at Herengracht 537, 1017 BV Amsterdam, the Netherlands and registered with the Commercial Register under number 33215278. We were incorporated on 10 November 1989.

Business

Our objects are:

(a) to borrow, lend out and collect monies, including but not limited to the issue or the acquisition of debentures, debt instruments, financial instruments such as, among others, warrants and certificates of any nature, with or without indexation based on, inter alia, shares, basket of shares, stock exchange indexes, currencies, commodities or futures on commodities, and to enter into related agreements;

(b) to finance enterprises and companies;

(c) to establish and to in any way participate in, manage and supervise enterprises and companies;

(d) to offer advice and to render services to enterprises and companies with which the company forms a group of companies, and to third parties;

(e) to grant security, to bind the company and to encumber assets of the company for the benefit of enterprises and companies with which the company forms a group of companies, and of third parties;

(f) to acquire, manage, exploit and dispose of registered property and asset value in general;

(g) to trade in currencies, securities and asset value in general;

(h) to exploit and trade in patents, trademark rights, licences, know-how and other industrial rights of ownership;

(i) to engage in industrial, financial and commercial activities of any nature,

and all other things as may be deemed incidental or conducive to the attainment of the above objects, in the broadest sense of the word.

Share capital

The authorised share capital is composed of 225,000 euros divided into 225,000 shares of one euro each. The issued share capital is 45,379 euros, divided in 45,379 shares of one euro each.

All shares are registered shares and no share certificates have been issued.

Management

Management Board

Our management will be composed of a Management Board with one or several members appointed by the general meeting of shareholders.

Duties of the Management Board

Within the limits of the constitutional documents, the Management Board will be responsible for our management.

Delegation of management

BNP Paribas is our sole shareholder. BNP Paribas has appointed on 22 February 2001 as sole managing director BNP Paribas Trust B.V., a company established and existing under the laws of the Netherlands, with its registered office at Herengracht 537, NL-1017 BV, Amsterdam. Messrs. Boulanger, Bijloos, Didier and Sijsling, Directors of BNP Paribas Trust B.V. have the power to take all necessary measures in relation to the issue of securities of BNP Paribas Arbitrage Issuance B.V..

DESCRIPTION OF THE GUARANTOR

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 Financiere 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 Financiere de Paribas
	With 3.8 million individual shareholders, Compagnie Financiere de Paribas had more shareholders than any other company in the world. Compagnie Financiere de Paribas owned 48% of the capital of Compagnie Bancaire.
1993	Privatisation of BNP
	BNP's return to the private sector represented a new beginning. During the 1990s, new banking products and services were launched, the Bank expanded its presence in France and internationally, developed its activities in financial markets 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 benchmark year for the Group
	Following an unprecedented double tender offer and stock market bids waged over six months, BNP was in a position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatization. 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
	Merger of BNP and Paribas 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 benchmark player in the global market.
2006	Acquisition of BNL in Italy
	BNP Paribas acquired BNL, Italy's 6th largest bank. This acquisition transformed BNP Paribas, providing it access to a second domestic market in Europe. In both Italy and France, all of the group's businesses can draw on a national banking network to develop their activities.
2009	Merger with the Fortis group
	BNP Paribas took control of Fortis Banque and BGL (Banque Générale du Luxembourg), thereby creating a European leader in retail banking, with four domestic markets.

Key figures - Ratings

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 79 countries and has almost 200,000 employees, including over 155,000 in Europe. BNP Paribas holds key positions in its three activities:

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

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

At 31 December 2011, the Group had consolidated assets of €1,965.3 billion (compared to €1,998.2 billion at 31 December 2010), consolidated loans and receivables due from customers of €665.8 billion (compared to €684.7 billion at 31 December 2010), consolidated items due to customers of €546.3 billion (compared to €580.9 billion at 31 December 2010) and shareholders' equity (Group share) of €75.4 billion (compared to €74.6 billion at 31 December 2010). Pre-tax net income at 31 December 2011 was €9.7 billion (compared to €13.0 billion at 31 December 2010). Net income, Group share, at 31 December 2011 was €6.1 billion (compared to €7.8 billion at 31 December 2010).

The Group currently has long-term senior debt ratings of "Aa3", on watch with a view to a possible downgrade by Moody's, "AA-" with negative outlook from Standard & Poor's and "A+" with stable outlook from Fitch Ratings.

2011 rankings and awards

STRUCTURED FINANCE (SF)

- No. 5 Globally in Cash Management (*Euromoney* 2011);
- Best Project Finance House in Western Europe (*Euromoney* 2011);
- Best Energy Finance Bank (*Trade Finance Magazine* 2011);
- Emerging EMEA Loan House (*IFR* 2011)
- No. 1 Mandated Lead Arranger (MLA) for Global Trade Finance Loans (excl. sole bank loans) for 2011 (Dealogic);
- No. 1 MLA (by number of deals) and no. 3 (by volume) in ECA-backed Trade Finance Loans for 2011 (Dealogic);

- No. 2 Global Financial Adviser (*Infrastructure Journal* 2011);

- No. 2 Global Renewables Financial Adviser (*Infrastructure Journal* 2011);

- No. 1 Bookrunner (*Dealogic*) and no. 1 Bookrunner and Mandated Lead Arranger (*Thomson Reuters*) in EMEA syndicated loans for 2011 by volume and number of deals;

- No. 1 Bookrunner in the EMEA Leveraged Loan market for 2011 by number of deals (*Dealogic*);

- No. 1 Best Arranger of Western European Loans, no. 2 Most Impressive Arranger of EMEA Loans and no. 2 Best Arranger of Corporate Loans (*EuroWeek Syndicated Loans Awards* 2011).

GLOBAL EQUITIES & COMMODITY DERIVATIVES

GECD's expertise and know-how was recognised in 2011 by the following awards:

- Structured Products House of the Year (*Risk Magazine* 2011);

- House of the Year (*Structured Products Europe Awards* 2011);

- House of the Year (*Structured Products Americas Awards* 2011);

- Derivatives House of the Year (*The Asset Triple A Investment Awards* 2011);

- Derivatives House of the Year (*Energy Risk Magazine* 2011);

- Precious Metals House of the Year (*Energy Risk Magazine* 2011);

- Energy Brokerage House of the Year, Asia (*Energy Risk Magazine* 2011);

- Commodities House of the Year (*Commodity Business Awards* 2011);

- Excellence in Commodity Risk Exposure Mitigation (*Commodity Business Awards* 2011);

- Excellence in Commodity Finance & Structured Products (*Commodity Business Awards* 2011);

- Best Equity Derivatives Provider, Asia (*Global Finance Magazine* 2011).

FIXED INCOME

- No. 1 bookrunner for euro bond issues, no. 4 bookrunner for international bond issues in all currencies (*Thomson Reuters Bookrunner Rankings* 2011);

- No. 4 in euro inflation products and no. 4 in all interest rate products all currencies combined (*Total Derivatives/Euromoney Interest Rate Derivatives Survey* 2011);

- No. 2 in credit derivatives—indices and tranches, Europe (*Risk Institutional Investor Survey* 2011);

- No. 2 in forex services for financial institutions (*Asiamoney FX Poll* 2011);

- No. 1 in credit research in the banking sector; no. 2 in the consumer products sectors and no. 5 in trading ideas (*Euromoney Fixed Income Research Poll* 2011);

- No. 2 in credit derivatives overall (*AsiaRisk Interdealer Rankings,* 2011).

- Structured Products House of the Year (*Risk Magazine* 2012);

- Structured Products House of the Year (*Structured Products Europe* 2011);

- Structured Products House of the Year (*Structured Products Americas* 2011);
- Interest Rates House of the Year (*Structured Products Europe* 2012);
- Best Issuer for Covered Bonds, Best Bank for Structuring (*The Cover/EuroWeek Covered Bond Awards* 2011);
- Best Corporate Bond House, Best Bank for Corporate Secondary Markets, Best Bank for Corporate Liability Management (*EuroWeek Awards* 2011);
- Most Innovative for Interest Rate Derivatives (*The Banker* 2011);
- Derivatives House of the Year in Asia-Pacific, Best Credit Derivatives House, Best Derivatives House Korea (*The Asset Triple A Investment Awards* 2011);
- Credit Derivatives House of the Year (*Asia Risk Magazine* 2011);
- Covered Bond House (*IFR* 2011).

Capital Stock

As of 17 January 2012, BNP Paribas' share capital stood at €2,415,491,972 divided into 1,207,745,986 shares.

Further information

For more information on BNP Paribas, please visit *http://invest.bnpparibas.com/en*.

Board of Directors

The following table sets forth the names of the current members of the Board of Directors, their current function at the Bank, their business address and their principal business activities outside of the Bank as at 31 December 2011, except where specified:

Baudouin PROT
Principal function[(1)]: Chairman of the BNP Paribas Board of Directors (as of 1 December 2011)

Date of birth: 24 May 1951
Term start and end dates: 11 May 2011 — 2014 AGM
First elected to the Board on: 7 March 2000

Number of BNP Paribas shares held[(2)]: 146,129
Office address: 3, rue d'Antin
75002 PARIS
FRANCE

Functions at 31 December 2011[(1)]
Director of: Pinault-Printemps-Redoute, Veolia Environnement, *Erbé SA (Belgium), Pargesa Holding SA (Switzerland)*
Member of: *Vice-Chairman of the International Monetary Conference, Institute of International Finance (IIF), 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)

2010
Chief Executive Officer and Director of: BNP Paribas
Director of: Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland)
Member of: Executive Board of Fédération Bancaire Française

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

2008
Chief Executive Officer and Director 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
Chief Executive Officer and Director 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

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

Michel PÉBEREAU
Principal function[1]: ***Honorary Chairman*** **of BNP Paribas (as of 1 December 2011)**

Date of birth: 23 January 1942
Term start and end dates: 13 May 2009 — 2012 AGM
First elected to the Board on: 14 May 1993

Number of BNP Paribas shares held[2]: 231,772
Office address: 3, rue d'Antin
75002 PARIS
FRANCE

Functions at 31 December 2011[1]
Director of: AXA, Compagnie de Saint-Gobain, Lafarge, Total, BNP Paribas (Suisse) SA, Eads N.V. (Netherlands), Pargesa Holding SA (Switzerland)
Member of the Supervisory Board of: *Banque Marocaine pour le Commerce et l'Industrie (Morocco)*
Non-voting Director of: *Société Anonyme des Galeries Lafayette*
Chairman of: *Management Board of Institut d'Etudes Politiques de Paris*
Member of: *Académie des Sciences Morales et Politiques, Executive Committee of Mouvement des Entreprises de France, 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)

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

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

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

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

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

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

Date of birth: 18 June 1951
Term start and end dates: Elected by BNP Paribas executives to a three-year term running from 16 February 2009 to 30 June 2011, the date on which he retired
First elected to the Board on: 14 December 1993

Number of BNP Paribas shares held[3]: 36
Office address: 20, avenue Georges-Pompidou
92300 LEVALLOIS-PERRET
FRANCE

Functions at 30 June 2011[1]
None

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

2010	2009	2008	2007
None	None	None	None

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

Date of birth: 29 July 1935
Term start and end dates: 13 May 2009 — 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 2011[1]
Director of: *AXA Assurances Iard Mutuelle, AXA Assurances Vie Mutuelle*
Member of the Supervisory Board of: Vivendi
Non-voting Director of: *Schneider Electric*
Chairman of: *IMS-Entreprendre pour la Cité, Institut Montaigne*
Member of: *International Advisory Panel of the Monetary Authority of Singapore*

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

2010	2009	2008	2007
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	**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	**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)

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*
(3) *At 30 June 2011*

Suzanne BERGER
Principal function[1]: *Professor of Political Science* at Massachusetts Institute of Technology, Cambridge, Massachusetts, USA; *Director* of the MIT International Science and Technology Initiative (MISTI) – France Program; *Director* of the MIT Production in the Innovation Economy Commission

Date of birth: 11 March 1939
Term start and end dates:
21 May 2008 — 11 May 2011
First elected to the Board on: 8 March 2007

Number of BNP Paribas shares held[3]: 850
Office address: 30 Wadsworth Street
E53-451 CAMBRIDGE, MA
02139-4307
USA

Functions at 11 May 2011[1]
Member of: *American Academy of Arts and Sciences*
Research Associate and Member of: *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)

2010
Member of: American Academy of Arts and Sciences
Research Associate and Member of: Executive Committee of the Center for European Studies at Harvard University

2009
Member of: American Academy of Arts and Sciences
Research Associate and Member of: Executive Committee of the Center for European Studies at Harvard University

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

2007
Member of: American Academy of Arts and Sciences
Research Associate and Member of: Executive Committee of the Center for European Studies at Harvard University

Jean-Laurent BONNAFÉ
Principal function[1]: Chief Executive Officer and Director of BNP Paribas (as of 1 December 2011)

Date of birth: 14 July 1961
Term start and end dates: 12 May 2010 — 2013 AGM
First elected to the Board on: 12 May 2010

Number of BNP Paribas shares held[2]: 59,675[*]
Office address: 3, rue d'Antin
75002 PARIS
FRANCE

Functions at 31 December 2011[1]
Director of: Carrefour, *BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BNP Paribas Fortis (Belgium)*

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

2010
Chief Operating Officer and Director of: BNP Paribas
Director of: Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy)
Chairman of: Management Committee and Executive Committee of BNP Paribas Fortis (Belgium)
Chief Executive Officer of: BNP Paribas Fortis (Belgium)

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

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

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*
(3) *At 11 May 2011.*
(*) *Furthermore, Jean-Laurent Bonnafé owns the equivalent of 15,530 BNP Paribas shares under the Company Savings Plan.*

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

Date of birth: 7 September 1952
Term start and end dates: Elected by BNP Paribas employees to a three-year term running from 16 February 2009 to 15 February 2012
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 2011[1]
Member of: *Confrontations (a European think tank)*

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

2010
Member of: Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), Confrontations (a European think tank)

2009
Member of: Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), Confrontations (a European think tank)

2008
Member of: Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), Confrontations (a European think tank)

2007
Member of: Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), Confrontations (a European think tank)

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

Date of birth: 21 April 1936
Term start and end dates: 21 May 2008 — 11 May 2011
First elected to the Board on: 4 May 1999

Number of BNP Paribas shares held[3]: 2,963
Office address: 128, avenue de-Lattre-de-Tassigny
87045 LIMOGES
FRANCE

Functions at 11 May 2011[1]
Director of: Legrand, Legrand France
Member of the Supervisory Board of: *Compagnie Générale des Établissements Michelin SCA*

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

2010
Honorary Chairman of: Legrand
Director of: Legrand, Legrand France
Member of the Supervisory Board of: Michelin

2009
Honorary Chairman of: Legrand
Director of: Legrand, Legrand France
Member of the Supervisory Board of: Michelin

2008
Honorary Chairman of: Legrand
Director of: Legrand, Legrand France
Member of the Supervisory Board of: Michelin

2007
Honorary Chairman of: Legrand
Director of: Legrand, Legrand France
Member of the Supervisory Board of: Michelin
Member of: Advisory Committee of Banque de France

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*
(3) *At 11May 2011.*

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

Date of birth: 25 March 1952
Term start and end dates: 13 May 2009 — 2012 AGM
First elected to the Board on: 23 May 2000

Number of BNP Paribas shares held[2]: 2,684
Office address: 1, avenue du Général-de-Gaulle
92074 PARIS
LA DEFENSE CEDEX
FRANCE

Functions at 31 December 2011[1]
Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, *Invesco Ltd (United States)*
Member of the Supervisory Board of: *Yam Invest N.V. (Netherlands)*
Member of: *Commission Économique de la Nation, Board of Directors of Le Siècle, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Strategic Board of the European Insurance Federation, Global Reinsurance Forum, Reinsurance Advisory Board*

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

2010
Chairman and Chief Executive Officer of: SCOR SE
Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, Invesco Ltd (United States)
Member of the Supervisory Board of: Yam Invest N.V. (Netherlands)
Member of: Commission Économique de la Nation, Board of Directors of Le Siècle, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Strategic Board of the European Insurance Federation
Chairman of: Reinsurance Advisory Board, Global Reinsurance Forum

2009
Chairman and Chief Executive Officer of: SCOR SE
Director of: Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, Invesco Ltd (United States)
Member of the Supervisory Board of: Yam Invest N.V. (Netherlands)
Non-voting Director of: Financière Acofi SA, Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil Économique, Social et Environnemental, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Comité des Entreprises d'Assurance, Strategic Board of the European Insurance Federation
Chairman of: Reinsurance Advisory Board, Global Reinsurance Forum, Board of Directors of Le Siècle

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

2007
Chairman and Chief Executive Officer of: SCOR
Chairman of: SCOR Global Life SE, SCOR Global P&C SE, SCOR Global Life U.S. Re Insurance Company (United States), SCOR Holding (Switzerland) AG(Switzerland), SCOR Reinsurance Company (United States), SCOR U.S. 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 to SA Communication & Participation
Non-voting Director of: Financière Acofi (formerly FDC SA), Gimar Finance & Cie SCA
Member of: Commission Économique de la Nation, Conseil Économique, Social et Environnemental, Board of Directors of Le Siècle, Association de Genève, Comité des Entreprises d'Assurance, Board of the French Foundation for Medical Research
Global Counsellor of: The Conference Board

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

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

Date of birth: 22 June 1957
Term start and end dates: 12 May 2010 — 2013 AGM
First elected to the Board on: 12 May 2010

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

Functions at 31 December 2011[1]
Member of: *Board of Trustees of the American University in Bulgaria*

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

2010
Member of: Board of Trustees of the American University in Bulgaria

Jean-François LEPETIT
Principal function[1]: Director of companies

Date of birth: 21 June 1942
Term start and end dates: 11 May 2011 — 2014 AGM
First elected to the Board on: 5 May 2004

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

Functions at 31 December 2011[1]
Director of: Smart Trade Technologies SA, Shan SA
Member of: *Board of the Qatar Financial Centre Regulatory Authority (Doha)*

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

2010
Director of: Smart Trade Technologies SA, Shan SA
Member of: Board of the Qatar Financial Centre Regulatory Authority (Doha)

2009
Director of: Smart Trade Technologies SA, Shan SA
Member of: Board of the Qatar Financial Centre Regulatory Authority (Doha), Board of the Autorité des Marchés Financiers, Conseil de Normalisation des Comptes Publics

2008
Director of: Smart Trade Technologies SA, Shan SA
Member of: Board of the Qatar Financial Centre Regulatory Authority (Doha), Board of the Autorité des Marchés Financiers

2007
Director of: Smart Trade Technologies SA, Shan SA
Member of: Board of the Qatar Financial Centre Regulatory Authority (Doha), Board of the Autorité des Marchés Financiers

(1) Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.
(2) At 31 December 2011.

Nicole MISSON
Principal function[1]: *Customer Advisor*

Date of birth: 21 May 1950
Term start and end dates: Elected alternate Board Member by BNP Paribas executives, became a full Board Member for the remainder of Patrick Auguste's term when he retired 1 July 2011 — 15 February 2012
First elected to the Board on: 1 July 2011

Number of BNP Paribas shares held[2]: 174
Office address: 22, rue de Clignancourt
75018 PARIS
FRANCE

Functions at 31 December 2011[1]
Judge at the Paris Employment Tribunal, Management Section Member of the Commission Paritaire de la Banque (Association Française des Banques—Recourse Commission)

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

Date of birth: 31 August 1959
Term start and end dates:
13 May 2009 — 2012 AGM
First elected to the Board on: 23 May 2006

Number of BNP Paribas shares held[2]: 755
Office address: 6-8, rue Eugène-Oudiné
75013 PARIS
FRANCE

Functions at 31 December 2011[1]
Chairman of: *Mouvement des Entreprises de France (MEDEF)*
Director of: Coface SA
Member of the Supervisory Board of: *Compagnie Générale des Établissements Michelin SCA*

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

2010
Vice-Chairman of the Board of Directors of: IFOP SA
Chairman of: Mouvement des Entreprises de France (MEDEF)
Director of: Coface SA
Member of the Supervisory Board of: Michelin

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

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

2007
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

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

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

Date of birth: 25 September 1944
Term start and end dates: 11 May 2011 — 2014 AGM
First elected to the Board on: 21 March 2003

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

Functions at 31 December 2011[1]
Director of: Lafarge, *Ferring SA (Switzerland), Sofina (Belgium)*
Permanent representative of: *Pechel Industries Partenaires (SAS) to Ypso Holding (Luxembourg),* Goëmar Développement (France), Laboratoires Goëmar (France), *Goëmar Holding (Luxembourg),* Store Electronic Systems (France)
Member of the Supervisory Board of: Publicis Groupe
Manager of: *Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile, Goëmar Holding (Luxembourg)*
Member of: *United Nations Joint Staff Pension Fund Investment Committee (until end-2011), Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organization (WHO), Institut Français des Administrateurs*

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

2010
Chairman of: Pechel Industries SAS, Pechel Industries Partenaires SAS, FSH SAS
Director of: Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands), Institut Français des Administrateurs
Permanent representative of: Pechel Industries Partenaires SAS to Ypso Holding (Luxembourg)
Member of the Supervisory Board of: Publicis Groupe
Manager of: Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile
Member of: United Nations Joint Staff Pension Fund Investment Committee, Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organization (WHO)

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

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

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

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

Louis SCHWEITZER
Principal function[1]: *Chairman of* France Initiative, *Honorary Chairman* of Renault

Date of birth: 8 July 1942
Term start and end dates: 12 May 2010 — 2013 AGM
First elected to the Board on: 14 December 1993

Number of BNP Paribas shares held[2]: 24,501
Office address: 8-10, avenue Émile-Zola
92109 BOULOGNE-BILLANCOURT
CEDEX
FRANCE

Functions at 31 December 2011[1]
Chairman of the Board of Directors of: *AstraZeneca plc (United Kingdom), AB Volvo (Sweden)*
Director of: L'Oréal, Veolia Environnement
Member of the Advisory Committee of: *Allianz (Germany), Bosch* (Germany)
Member of the Board of: *Fondation Nationale des Sciences Politiques, Musée du quai Branly*
Chairman of: *Avignon Arts Festival, Maison de la Culture of the Seine-Saint-Denis district (near Paris)*

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

2010
Honorary Chairman of: Renault
Chairman of the Board of Directors of: AstraZeneca plc (United Kingdom), AB Volvo (Sweden)
Director of: L'Oréal, Veolia Environnement
Member of the Advisory Committee of: Banque de France, Allianz (Germany)
Member of the Board of: Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du quai Branly

2009
Honorary Chairman 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 Quai Branly

2008
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

2007
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) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

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

Date of birth: 21 July 1952
Term start and end dates: 12 May 2010 — 2013 AGM
First elected to the Board on: 12 May 2010
(Served as a non-voting Director of BNP Paribas between 4 November 2009 and 11 May 2010)

Number of BNP Paribas shares held[2]: 500
Office address: rue du Moulin 10
B — 1310 LA HULPE
BELGIUM

Functions at 31 December 2011[1]
Chairman of: *Green Day Holdings Limited (Jersey), Green Day Acquisitions Limited (U.K.)*
Director of: *Sofina SA (Belgium), Groupe Lhoist SA (Belgium), Foyer Assurances SA (Luxembourg), CapitalatWork Foyer Group SA (Luxembourg), Université Catholique de Louvain (Belgium), Royal Automobile Club of Belgium*
Senior Advisor at: *Cinven Ltd (U.K.)*

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

2010
Senior Advisor at: Cinven Ltd (United Kingdom)
Director of: Sofina SA (Belgium), Groupe Lhoist SA (Belgium), Foyer Assurances SA (Luxembourg), CapitalatWork Foyer Group SA (Luxembourg), Université Catholique de Louvain (Belgium), Royal Automobile Club of Belgium

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

Date of birth: 30 April 1941
Term start and end dates: 12 May 2010 — 2013 AGM
First elected to the Board on: 12 May 2010
(Served as a non-voting Director of BNP Paribas between 4 November 2009 and 11 May 2010)

Number of BNP Paribas shares held[2]: 550
Office address: Zand 7-9
B — 2000 ANTWERP
BELGIUM

Functions at 31 December 2011[1]
None

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

2010
None

(1) Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.
(2) At 31 December 2011.

Daniela WEBER-REY
Principal function[1]: *Partner* at Clifford Chance, Frankfurt, Germany

Date of birth: 18 November 1957
Term start and end dates: 11 May 2011 — 2014 AGM
First elected to the Board on: 21 May 2008

Number of BNP Paribas shares held[2]: 2,148
Office address: Mainzer Landstrasse 46
D 60325 — FRANKFURT AM MAIN
GERMANY

Functions at 31 December 2011[1]
Member of: *German Government's Code of Corporate Governance Commission, Stakeholder Group of the European Insurance and Occupational Pensions Authority (EIOPA), Clifford Chance Partnership Council*

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

2010
Member of: European Commission's Ad Hoc Group of Corporate Governance Experts for the Financial Services Area, German Government's Code of Corporate Governance Commission, Clifford Chance Partnership Council

2009
Member of: European Commission's advisory group on corporate governance and company law, European Commission's expert group on removing obstacles to cross-border investments, European Commission's Ad Hoc Group of Corporate Governance Experts for the Financial Services Area, German Government's Code of Corporate Governance Commission

2008
Member of: European Commission's advisory group on corporate governance and company law, European Commission's expert group on removing obstacles to cross-border investments, German Government's Code of Corporate Governance Commission

Fields WICKER-MIURIN
Principal function[1]: *Co-founder and Partner* of Leaders' Quest (United Kingdom)

Date of birth: 30 July 1958
Term start and end dates: 11 May 2011 — 2014 AGM
First elected to the Board on: 11 May 2011

Number of BNP Paribas shares held[2]: 139
Office address: 3-5 Richmond Hill
RICHMOND, SURREY TW10 6RE
UNITED KINGDOM

Functions at 31 December 2011[1]
Director of: *CDC Group plc, Ballarpur International Graphic Paper Holdings*
Member of: *Battex School of Leadership - University of Virginia board of advisors*

(1) *Functions shown in italics are not governed by French Law no. 2001-401 of 15 May 2001 concerning multiple directorships.*
(2) *At 31 December 2011.*

Legal and Arbitration Proceedings

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

On 27 June 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 international companies that participated in the oil-for-food ("OFF") programme and against BNP Paribas as holder of the OFF account on behalf of the United Nations. The complaint alleges, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contends that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking services agreement binding BNP Paribas and the United Nations. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows treble damages if damages are awarded. The complaint has been served and the defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. Pleadings on the merits are expected to be made in 2012.

Following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, the Bank is conducting an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to U.S. sanctions, in order to determine whether the Bank has in the conduct of its business complied with sanction regulations including those of the Office of Foreign Assets Control. It should be noted that similar reviews conducted by numerous financial institutions relating to actual or purported violations of Office of Foreign Assets Control regulations have resulted in settlements involving the payment of fines and penalties, some of which have been significant depending on the circumstances of each matter.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amounts sought to be recovered in these actions approximates $1.2 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which Fortis Bank is no longer part. Whether Fortis Bank (now BNP Paribas Fortis) is party or not to the proceedings, the possibility cannot be ruled out that legal action already taken or which may result from current legal disputes or enquiries may seek to obtain money from BNP Paribas Fortis, and hence from the BNP Paribas Group. BNP Paribas will oppose firmly any attempts of this kind.

There are no other government, legal or arbitration proceedings of which the Company is aware that are likely to have or have had within the last 12 months a significant impact on the financial position or profitability of the Company and/or Group.

Not all of the risk factors described below will be applicable to a particular series of the Structured Products. Please consider all risks carefully prior to investing in any Structured Products and consult your professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Structured Products. Please read the following section together with the risk factors set out in the relevant supplemental listing document.

General risks in relation to us and the Guarantor

Structured Products are unsecured obligation

Each series of Structured Products will constitute our general, unsecured and contractual obligations and the general, unsecured and contractual obligations of the Guarantor and of no other person and will rank pari passu with our other unsecured contractual obligations and the unsecured and unsubordinated debt of the Guarantor. At any given time, the number of Structured Products outstanding may be substantial.

Creditworthiness

If you purchase our Structured Products, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Structured Products against:

(a) any company which issues the underlying shares;

(b) the trustee or the manager of the underlying trust; or

(c) any index compiler of the underlying index

As our obligations under the Structured Products are unsecured, we do not guarantee the repayment of capital invested in any Structured Product.

Any downgrading of the Guarantor 's rating by rating agencies such as Moody's, Standard & Poor 's or Fitch Ratings could result in a reduction in the trading value of the Structured Products.

No deposit liability or debt obligation

In respect of cash settled Structured Products, we have the obligation to deliver to you the Cash Settlement Amount (net of any Exercise Expenses) in accordance with the Conditions of each series of Structured Products upon expiry. It is not our intention by the issue of any Structured Product (expressed, implicit or otherwise) to create a deposit liability of us or the Guarantor or a debt obligation of any kind.

Conflicts of interest

The BNP Group engages in commercial, banking and other activities for our own account or the account of others and, in connection with our other business activities, may possess or acquire material information about the Underlying Assets to which the relevant Structured Product is linked. Such activities may involve or otherwise affect the Underlying Assets in a manner that may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of Structured Products by us. Such actions and conflicts may include, without limitation, the purchase and sale of securities and/or exercise of creditor rights. The BNP Group:

(a) has no obligation to disclose such information about the Underlying Assets or such activities. The BNP Group and our respective officers and directors may engage in any such activities without regard to the issue of Structured Products by us or the effect that such activities may directly or indirectly have on any Structured Product;

(b) may from time to time engage in transactions involving the Underlying Assets for its accounts and/or for accounts under its management and/or to hedge against the market risk associated with issuing the Structured Products. Such transactions may have a positive or negative effect on the price/level of the Underlying Assets and consequently upon the value of the relevant series of Structured Products;

(c) may from time to time act in other capacities with regard to the Structured Products, such as in an agency capacity and/or as the liquidity provider; and/or

(d) may issue other derivative instruments in respect of the Underlying Assets and the introduction of such competing products into the market place may affect the value of the relevant series of Structured Products.

General risks in relation to Structured Products

You may lose all your investment in the Structured Products

Structured Products involve a high degree of risk, and are subject to a number of risks which may include interest rate, foreign exchange, time value, market and/or political risks. Structured Products may expire worthless.

Generally speaking, options, warrants and equity linked instruments are priced primarily on the basis of the price/level/exchange rate of the Underlying Asset, the volatility of the Underlying Asset's price/level/exchange rate and the time remaining to expiry of the Structured Product.

The price of Structured Products generally may fall in value as rapidly as they may rise and you should be prepared to sustain a significant or total loss of the purchase price of the Structured Products. Assuming all other factors are held constant, the more the underlying share price, unit price, index level or exchange rate of a Structured Product moves in a direction against you, the greater the risk that you will lose all or a significant part of your investment.

The risk of losing all or any part of the purchase price of a Structured Product means that, in order to recover and realise a return on your investment, you must generally anticipate correctly the direction, timing and magnitude of any change in the price/level/exchange rate of the Underlying Asset as may be specified in the relevant supplemental listing document.

Changes in the price/level/exchange rate of an Underlying Asset can be unpredictable, sudden and large and such changes may result in the price/level/exchange rate of the Underlying Asset moving in a direction which will negatively impact upon the return on your investment. You therefore risk losing your entire investment if the price/level/exchange rate of the relevant Underlying Asset does not move in your anticipated direction.

The value of the Structured Products may be disproportionate with or opposite to movement in the price/level/exchange rate of the Underlying Assets

An investment in Structured Products is not the same as owning the Underlying Assets or having a direct investment in the Underlying Assets. The market values of Structured Products are linked to the relevant Underlying Assets and will be influenced (positively or negatively) by it or them but any change may not be comparable and may be disproportionate. It is possible that while the price/level/exchange rate of the Underlying Assets is moving up, the value of the Structured Product is falling.

If you intend to purchase any series of Structured Products to hedge against the market risk associated with investing in an Underlying Asset specified in the relevant supplemental listing document, you should recognise the complexities of utilising Structured Products in this manner. For example, the value of the Structured Products may not exactly correlate with the price/level/exchange rate of the Underlying Asset. Due to fluctuations in supply and demand for Structured Products, there is no assurance that their value will correlate with movements of the Underlying Asset. The Structured Products may not be a perfect hedge to the Underlying Asset or portfolio of which the Underlying Asset forms a part.

It may not be possible to liquidate the Structured Products at a level which directly reflects the price/level/exchange rate of the Underlying Asset or portfolio of which the Underlying Asset forms a part. Therefore, it is possible that you could suffer substantial losses in the Structured Products in addition to any losses suffered with respect to investments in or exposures to the Underlying Asset.

Possible illiquidity of secondary market

It is not possible to predict if and to what extent a secondary market may develop in any series of Structured Products and at what price such series of Structured Products will trade in the secondary market and whether such market will be liquid or illiquid. The fact that the Structured Products are listed does not necessarily lead to greater liquidity than if they were not listed.

If any series of Structured Products are not listed or traded on any exchange, pricing information for such series of Structured Products may be difficult to obtain and the liquidity of that series of Structured Products may be adversely affected.

The liquidity of any series of Structured Products may also be affected by restrictions on offers and sales of the Structured Products in some jurisdictions. Transactions in off-exchange Structured Products may be subject to greater risks than dealing in exchange-traded Structured Products. To the extent that any Structured Products of a series is closed out, the number of Structured Products outstanding in that series will decrease, which may result in a lessening of the liquidity of Structured Products. A lessening of the liquidity of the affected series of Structured Products may cause, in turn, an increase in the volatility associated with the price of such Structured Products.

While we have appointed, or will appoint, a liquidity provider for the purposes of making a market for each series of Structured Products, there may be circumstances outside our control or the appointed liquidity provider 's control where the appointed liquidity provider 's ability to make a market in some or all series of Structured Products is limited, restricted and/or, without limitation, frustrated. The more limited the secondary market, the more difficult it may be for you to realise the value of the Structured Products prior to expiry.

Interest rates

Investments in the Structured Products may involve interest rate risk with respect to the currency of denomination of the Underlying Assets and/or the Structured Products. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Structured Products at any time prior to valuation of the Underlying Assets relating to the Structured Products.

Time decay

The settlement amount of certain series of Structured Products at any time prior to expiration may be less than the trading price of such Structured Products at that time. The difference between the trading price and the settlement amount will reflect, among other things, a "time value" of the Structured Products. The "time value" of the Structured Products will depend partly upon the length of the period remaining to expiration and expectations concerning the price/level/exchange rate of the Underlying Assets. The value of a Structured Product will decrease over time. Therefore, the Structured Products should not be viewed as products for long term investments.

Exchange rate risk

There may be an exchange rate risk in the case of cash settled Structured Products where the Cash Settlement Amount will be converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Structured Products. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

Possible early termination for illegality or impracticability

If the Conditions provide for termination due to illegality and we determine in good faith and in a commercially reasonable manner that, for reasons beyond our control, the performance of (i) our obligations under the relevant Structured Products or (ii) our Guarantor's obligations under the Guarantee has become illegal or impracticable, we may terminate early the relevant Structured Products. If we terminate early the relevant Structured Products, we will, if and to the extent permitted by applicable law, pay an amount determined by us in good faith and in a commercially reasonable manner to be the fair market value of the relevant Structured Products notwithstanding the illegality or impracticability less our cost of unwinding the underlying hedging arrangements.

Modification to the Conditions

Under the Conditions, we may, without your consent, effect any modification of the terms and conditions applicable to the Structured Products which, in our opinion, is:

(a) not materially prejudicial to the interest of the holders of the Structured Products generally (without considering the circumstances of any individual Holder or the tax or other consequences of such modification in any particular jurisdiction);

(b) of a formal, minor or technical nature;

(c) to correct a manifest error; or

(d) necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong.

Risks in relation to the Underlying Asset

You have no right to the Underlying Asset

Unless specifically indicated in the Conditions, you will not be entitled to:

(a) voting rights or rights to receive dividends or other distributions or any other rights that a holder of the underlying shares or units in the underlying trust would normally be entitled to; or

(b) voting rights or rights to receive dividends or other distributions or any other rights with respect to any company constituting any underlying index.

Valuation risk

An investment in Structured Products may involve valuation risks in relation to the Underlying Asset to which the particular series of Structured Products relate. The price/level/exchange rate of the Underlying Asset may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors, market trends, speculation and/or (where the Underlying Asset is an index) changes in the formula for or the method of calculating the index.

Where the Structured Products are linked to certain Underlying Asset in a developing financial market, you should note a developing financial market differs from most developed markets in various aspects, including the growth rate, government involvement and control, level of development and foreign exchange control. Any rapid or significant changes in the economic, political or social condition and the government policies of the developing financial market may result in large fluctuations in the value or level of the Underlying Asset. Such fluctuations may affect the market value of the Structured Products and hence your investment return.

Where the Structured Products are linked to a currency pair as the Underlying Asset, you should note that the foreign exchange market can be very volatile and unpredictable. Exchange rate of the currencies may fluctuate as a result of market, economic and/or political conditions in the principal financial centres of the countries of the currencies and also in other countries. For example, it can be affected by change of governments' monetary or foreign exchange policies, rates of inflation, interest rate levels and the extent of governmental surpluses or deficits in the relevant countries. Such fluctuations may affect the market value of the Structured Products and hence your investment return.

You must be experienced in dealing in these types of Structured Products and must understand the risks associated with dealing in such products. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of any Structured Product in light of your particular financial circumstances, the information regarding the relevant Structured Product and the particular Underlying Asset to which the value of the relevant Structured Product relates.

Adjustment related risk

Certain events relating to the Underlying Asset require or, as the case may be, permit us to make certain adjustments or amendments to the Conditions. You have limited anti-dilution protection under the Conditions. We may, in our sole discretion:

(a) in respect of Structured Products relating to single equities or unit trust, adjust, among other things, the Entitlement, the Exercise Price/Strike Price and the Call Price (if applicable) upon exercise or any other terms (including without limitation the closing price of the Underlying Asset) of any series of Structured Products for events such as rights issue, bonus issue, subdivision, consolidation, restructuring event or certain cash distribution;

(b) in respect of Structured Products relating to an index, determine the Closing Level;

(c) in respect of Structured Products relating to a commodity or commodity futures, adjust, among other things, the Closing Price and if applicable, the Price Source and/or the Exchange Rate; or

(d) in respect of Structured Products relating to a currency pair, adjust, among other things, the Spot Rate and the Settlement Exchange Rate (if applicable).

However, we are not obliged to make an adjustment for every event that may affect an Underlying Asset, in which case the market price of the Structured Products and the return upon the expiry of the Structured Products may be affected.

In the case of Structured Products which relate to an index, the level of the index may be published by the index compiler at a time when one or more components comprising the index are not trading. If this occurs on the Valuation Date which does not constitute a Market Disruption Event under the Conditions, then the Closing Level of the index is calculated by reference to the remaining components in the index. In addition, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula or method last in effect prior to such change in formula or method.

Suspension of trading

If an Underlying Asset is suspended from trading or dealing for whatever reason on the market on which it is listed or dealt in (including the Stock Exchange), trading in the relevant series of Structured Products may be suspended for a similar period. The value of the Structured Products will decrease over time as the length of the period remaining to expiration becomes shorter. You should note that in the case of a prolonged suspension period, the market price of the Structured Products may be subject to a significant impact of time decay of such prolonged suspension period and may fluctuate significantly upon resumption of trading after the suspension period of the Structured Products. This may adversely affect your investment in the Structured Products.

Delay in settlement

Unless otherwise specified in the relevant Conditions, in the case of any termination or expiry, as the case may be, of Structured Products, there may be a time lag between the date on which the Structured Products are terminated or expire, and the time the applicable settlement amount is paid to you. Any such delay between the time of termination or expiry and the payment of the settlement amount will be specified in the relevant Conditions.

However, such delay could be significantly longer, particularly in the case of a delay in the termination or expiry of such Structured Products arising from a determination by us that a Market Disruption Event, Settlement Disruption Event or delisting of the underlying shares or units in the underlying trust has occurred at any relevant time or that adjustments are required in accordance with the Conditions.

That applicable settlement amount may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount or entitlement value (as the case may be) of the Structured Products.

You should note that in the event of there being a Settlement Disruption Event or a Market Disruption Event, payment of the Cash Settlement Amount may be delayed as more fully described in the Conditions.

Risks relating to Structured Products over trusts

In the case of Structured Products which relate to the units of a trust:

(a) the BNP Group is not able to control or predict the actions of the trustee or the manager of the relevant trust. Neither the trustee nor the manager of the relevant trust (i) is involved in the offer of any Structured Product in any way, or (ii) has any obligation to consider the interest of the holders of any Structured Product in taking any actions that might affect the value of any Structured Product; and

(b) we have no role in the relevant trust. The trustee or manager of the relevant trust is responsible for making investment and other trading decisions with respect to the management of the relevant trust consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant trust. The manner in which the relevant trust is managed and the timing of actions may have a significant impact on the performance of the relevant trust. Hence, the market price of the relevant units is also subject to these risks.

Exchange traded funds

In the case of Structured Products linked to units of an exchange traded fund ("**ETF**"), you should note that:

(a) an ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the underlying asset pool or index or market that the ETF is designed to track;

(b) there may be disparity between the performance of the ETF and the performance of the underlying asset pool or index or market that the ETF is designed to track as a result of, for example, failure of the tracking strategy, currency differences, fees and expenses; and

(c) where the underlying asset pool or index or market that the ETF tracks is subject to restricted access, the efficiency in the unit creation or redemption to keep the price of the ETF in line with its net asset value may be disrupted, causing the ETF to trade at a higher premium or discount to its net asset value. Hence, the market price of the Structured Products will also be indirectly subject to these risks.

Synthetic exchange traded funds

Additionally, where the Underlying Asset of Structured Products comprises the units of an ETF adopting a synthetic replication investment strategy to achieve its investment objectives by investing in financial derivative instruments linked to the performance of an underlying asset pool or index that the ETF is designed to track ("**Synthetic ETF**"), you should note that:

(a) investments in financial derivative instruments will expose the Synthetic ETF to the credit, potential contagion and concentration risks of the counterparties who issued such financial derivative instruments. As such counterparties are predominantly international financial institutions, the failure of one such counterparty may have a negative effect on other counterparties of the Synthetic ETF. Even if the Synthetic ETF has collateral to reduce the counterparty risk, there may still be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realise the collateral; and

(b) the Synthetic ETF may be exposed to higher liquidity risk if the Synthetic ETF invests in financial derivative instruments which do not have an active secondary market.

The above risks may have a significant impact on the performance of the relevant ETF or Synthetic ETF and hence the market price of Structured Products linked to such ETF or Synthetic ETF.

Risk Relating to CBBCs

Correlation between the price of a CBBC and the price/level of the Underlying Asset

When the Underlying Asset of a CBBC is trading at a price/level close to its Call Price/Call Level, the price of that CBBC tends to be more volatile and any change in the value of that CBBC at such time may be incomparable and disproportionate with the change in the price/level of the Underlying Asset.

Payout under CBBCs

It is expected that the value of each entitlement of CBBCs tends to mirror the value of the Underlying Asset. However, you are warned that the price of CBBCs will be determined not only by the trading value of the Underlying Asset but also by the impact of financing costs and/or dividends during the period in which the CBBCs are held by you. In particular, when the value of the Underlying Asset is close to the Call Price/Call Level, the price of the CBBCs will be more volatile.

Mandatory Call Event is irrevocable

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(a) system malfunction or other technical errors of HKEx (such as the setting up of wrong Call Price/Call Level and other parameters); or

(b) manifest errors caused by the relevant third party price source (such as miscalculation of the index level by the relevant index compiler), and in each case, we agree with the Stock Exchange that such Mandatory Call Event is to be revoked within such time as specified in the relevant supplemental listing document following the trading day on which the Mandatory Call Event is triggered. Upon revocation of the Mandatory Call Event, trading of the CBBCs will resume and any trade cancelled after such Mandatory Call Event will be reinstated.

Non-recognition of Post MCE Trades

The Stock Exchange and its recognised exchange controller, HKEx, shall not incur any liability (whether based on contract, tort (including, without limitation, negligence), or any other legal or equitable grounds and, without regard to the circumstances giving rise to any purported claim (except in the case of wilful misconduct on the part of the Stock Exchange and/or HKEx) for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Mandatory Call Event or the suspension of trading ("**Trading Suspension**") or the non-recognition of trades after a Mandatory Call Event ("**Non-Recognition of Post MCE Trades**"), including, without limitation, any delay, failure, mistake or error in the Trading Suspension or Non-Recognition of Post MCE Trades.

The BNP Group shall not have any responsibility towards you for any losses suffered as a result of the Trading Suspension and/or Non-Recognition of Post MCE Trades, in connection with the occurrence of a Mandatory Call Event, the resumption of trading of the CBBCs or reinstatement of any Post MCE Trades cancelled as a result of the reversal of any Mandatory Call Event, notwithstanding that such Trading Suspension and/or Non-Recognition of Post MCE Trades occur as a result of an error in the observation of the event.

Residual Value may not include residual funding cost

For Category R CBBCs, the Residual Value (if any) payable by us following the occurrence of a Mandatory Call Event may or may not include the residual funding cost for the CBBCs. You may not receive any residual funding cost back from us upon early termination of a Category R CBBC upon a Mandatory Call Event.

Delay in announcements of a Mandatory Call Event

The Stock Exchange will notify the market as soon as practicable after the CBBC has been called upon the occurrence of a Mandatory Call Event. You must however be aware that there may be delay in the announcement of a Mandatory Call Event due to technical errors or system failures and other factors that are beyond our control or the control of the Stock Exchange.

Our hedging activities may adversely affect the price/level of the Underlying Asset

Any member of the BNP Group may carry out activities that minimise our risks related to the CBBCs, including effecting transactions for our own account or for the account of our customers and hold long or short positions in the Underlying Asset (whether for risk reduction purposes or otherwise). In addition, in connection with the offering of any CBBCs, we and/or any member of the BNP Group may enter into one or more hedging transactions with respect to the Underlying Asset. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by us and/or any member of the BNP Group may enter into transactions in the Underlying Asset which may affect the market price, liquidity or price/level of the Underlying Asset and/or the value of CBBCs and which could be deemed to be adverse to your interests. The BNP Group is likely to modify our hedging positions throughout the life of the CBBCs whether by effecting transactions in the Underlying Asset or in derivatives linked to the Underlying Asset. Further, it is possible that the advisory services which the BNP Group provides in the ordinary course of our business could lead to an adverse impact on the value of the Underlying Asset.

Unwinding of hedging arrangements

The trading and/or hedging activities of the BNP Group related to CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price/level of the Underlying Asset and may trigger a Mandatory Call Event. In particular, when the Underlying Asset is trading close to the Call Price/Call Level, our unwinding activities may cause a fall or rise (as the case may be) in the trading price/level of the Underlying Asset, leading to a Mandatory Call Event.

In respect of Category N CBBCs, the BNP Group may unwind any hedging transactions entered into by us in relation to the CBBCs at any time even if such unwinding activities may trigger a Mandatory Call Event.

In respect of Category R CBBCs, before the occurrence of a Mandatory Call Event, the BNP Group may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from time to time. Upon the occurrence of a Mandatory Call Event, the BNP Group may unwind any hedging transactions in relation to the CBBCs. Such unwinding activities after the occurrence of a Mandatory Call Event may affect the trading price/level of the Underlying Asset and consequently the Residual Value of the CBBCs.

Adjustment related risk

We will make such adjustments as we consider appropriate as a consequence of certain corporate actions or index adjustment events affecting the Underlying Asset. Please refer to the subsection "Adjustment related risk" under the section "Risks in relation to the Underlying Asset".

In addition, for Single Equity CBBCs and Single Unit Trust CBBCs, if the Underlying Asset ceases to be listed on the Stock Exchange during the term of the CBBCs, we may make adjustments and amendments to the rights attaching to the CBBCs pursuant to Condition 6 of the Product Conditions of the relevant CBBCs set out in Part A and Part C of Appendix 3. Such adjustments and amendments will be conclusive and binding on you.

Possible early termination for hedging disruption

If we determine in good faith and in a commercially reasonable manner that, for reasons beyond our control, it is no longer desirable or practical for us to maintain our hedging arrangement with respect to the CBBCs, we may terminate early the CBBCs. If we terminate early the CBBCs, we will, if and to the extent permitted by applicable law, pay an amount determined by us in good faith and in a commercially reasonable manner to be the fair market value of the CBBCs less our cost of unwinding any Underlying Asset related hedging arrangements.

Risk relating to the legal form of the Structured Products

Each Structured Product will be represented by a global certificate registered in the name of HKSCC Nominees Limited (or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of Central Clearing and Settlement System ("**CCASS**")). A risk of investing in a security that is issued in global registered form and held on your behalf within a clearing system effectively means that evidence of your title, as well as the efficiency of ultimate delivery of the Cash Settlement Amount, will be subject to the General Rules of CCASS and CCASS Operational Procedures ("**CCASS Rules**"). You should be aware of the following risks:

(a) you will not receive definitive certificates where the Structured Products remain in the name of HKSCC Nominees Limited for the entire life of the Structured Products;

(b) any register that is maintained by us or on our behalf, whilst available for inspection by you, will not be capable of registering any interests other than that of the legal title owner, in other words, it will record at all times that the Structured Products are being held by HKSCC Nominees Limited;

(c) you will have to rely solely upon your brokers/custodians and the statements you receive from such party as evidence of your interest in the investment;

(d) notices or announcements will be published on the HKEx's website and/or released by HKSCC to its participants via CCASS in accordance with the CCASS Rules. You will need to check the HKEx's website regularly and/or rely on your brokers/custodians to obtain such notices/announcements; and

(e) following the Expiry Date and the determination by us as to the Cash Settlement Amount, our obligations to you will be duly performed by payment of the Cash Settlement Amount (net of any Exercise Expenses) to HKSCC Nominees Limited as the "holder" of the Structured Products. HKSCC or HKSCC Nominees Limited will then distribute the received

Cash Settlement Amount (net of any Exercise Expenses) to the respective CCASS participants in accordance with the CCASS Rules.

Potential fee arrangements with brokers and potential conflicts of interest of brokers

To the extent permissible by the applicable laws, regulations, codes and guidelines and/or recommendations (whether imposed by applicable law or by competent regulatory authorities) in effect from time to time, we may or may not enter into fee arrangements with brokers with respect to the Structured Products or dealings in, or related to, the relevant Underlying Asset. You should note that brokers with whom we have a fee arrangement (if any) do not, and cannot be expected to, deal exclusively in, or related to, the Structured Products or any relevant Underlying Asset and may from time to time engage in other dealings for their own accounts and/or for the accounts of their clients. Potential conflicts of interests may arise from the different roles played by such brokers in connection with their dealings in, or related to, the Structured Products, the relevant Underlying Asset and/or other financial products (including those issued by other institutions over the same relevant Underlying Asset). A broker's interests (economic or otherwise) in each role may potentially affect the Structured Products and/or the relevant Underlying Asset in a manner that may cause adverse consequences to you if you invest in the Structured Products.

Effect of the combination of risk factors unpredictable

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Products such that the effect of any individual risk factor may not be predictable. No assurance can be given as to the effect any combination of risk factors may have on the value of a series of Structured Products.

The following section is of a general nature and is not intended to provide guidance to you. This section relates to you if you are the absolute beneficial owner of the Structured Products and may not apply equally to you. If you are in any doubt as to your tax position on purchase, ownership, transfer, holding or exercise of any Structured Product, you are strongly advised to consult your own tax advisers.

General

You may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Structured Product.

Taxation in Hong Kong

The following paragraph, which is intended as a general guide only, is based on current law and practice in Hong Kong. It summarises certain aspects of taxation in Hong Kong which may be applicable to the Structured Products but is not purported to be a comprehensive description of all tax considerations which may be of relevance.

Profits Tax

No tax is payable in Hong Kong by withholding or otherwise in respect of:

(a) dividends of any company;

(b) distributions of any trust authorised as a collective investment scheme by the SFC under section 104 of the Securities and Futures Ordinance (Cap 571, The Laws of Hong Kong) or otherwise approved by the SFC; or

(c) any capital gains arising on the sale of the underlying shares or Structured Products, except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

Stamp Duty

You do not need to pay any stamp duty in respect of purely cash settled Structured Products.

Taxation in the Netherlands

The following paragraph, which is intended as a general guide only, is based on current law and practice in the Netherlands. It summarises certain aspects of taxation in the Netherlands which may be applicable to the Structured Products but is not purported to be a comprehensive description of all tax considerations which may be of relevance.

Registration, Stamp, Transfer or Turnover Taxes

No Dutch registration, stamp, transfer or turnover taxes or other similar duties or taxes should be due in the Netherlands in direct connection with the offering and issue of the Structured Products by us or in respect of the signing and delivery of this document and/or the relevant supplemental listing document.

Withholding Tax

No Netherlands withholding tax should be due on payments of principal and/or interest.

Income Tax or Capital Gain Tax

You will not be subject to Netherlands taxes on income or capital gains in direct connection with the acquisition or holding of debt or any payment under the Structured Products or in respect of any gain realised on the disposal or redemption of the Structured Products, provided that:

(a) you are neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and

(b) you do not have an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Structured Products are attributable; and

(c) if you are a legal person, an open limited partnership ("*open commanditaire vennootschap*"), another company with a capital divided into shares or a special purpose fund ("*doelvermogen*"):

    (i) you do not have a substantial interest* in our share capital, or in the event that you do have such an interest, such interest forms part of the assets of an enterprise; and

(ii) you do not have a deemed Netherlands enterprise to which enterprise the Structured Products are attributable, including but not limited to, activities such as serving as a management or supervisory board member of a Dutch resident company;

or

(d) if you are a natural person:

(i) you do not derive income and/or capital gains from activities in the Netherlands other than business income (as described under (b) above), to which activities the Structured Products are attributable; and

(ii) you or a person related to you by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands do not have, or are not deemed to have, a substantial interest* in our share capital.

Inheritance Tax

No gift, estate or inheritance tax will arise in the Netherlands on the transfer by way of gift or inheritance of the Structured Products if the donor or the deceased at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:

(a) at the time of the gift or death, the Structured Products are attributable to an enterprise or part of an enterprise that is carried out through a permanent establishment or a permanent representative in the Netherlands; or

(b) the donor of the Structured Products dies within 180 days of making the gift, and is a Dutch resident or deemed resident on the date of death.

Furthermore, in relation to the implications in respect of registration, stamp, transfer or turnover taxes, withholding tax, income tax or capital gain tax and inheritance tax in the Netherlands summarised above, it is assumed that:

(a) neither the remuneration, nor the indebtedness of the remuneration, on the Structured Products is, in whole or in part, legally or actually, contingent upon the profits or the distribution of profits by us or any of our affiliated companies; and

(b) the Structured Products will be treated as our debt obligations and cannot, partly or wholly, be reclassified as equity nor actually function as equity for Dutch tax purposes as referred to in Section 10(1)(d) of the Dutch Corporate Income Tax Act (Wet op de vennootschapsbelasting 1969).

Exchange of Information

If we pay interest directly to, or secure our payment for the immediate benefit of, a holder of Structured Products that is (i) an individual, (ii) a resident of another EU Member State or designated jurisdiction and (iii) the beneficial owner of that interest, we must verify the holder of the Structured Products' identity and place of residence and provide information regarding that holders and the interest payments concerned to the Dutch tax authorities. This obligation does not apply if the interest is paid to, or secured for the benefit of, a holder of the Structured Products via a bank or other paying agent as defined in Dutch tax law. In that case similar or other obligations may apply with respect to the bank or the other paying agent.

* An interest in our share capital should not be considered as a substantial interest if you, and if you are a natural person, your spouse, registered partner, certain other relatives or certain persons sharing your household, do not own or hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five per cent. or more of our total issued and outstanding capital or our issued and outstanding capital of any class of shares.

General

No action has been or will be taken by us that would permit a public offering of any series of Structured Products or possession or distribution of any offering material in relation to the Structured Products in any jurisdiction (other than in Hong Kong) where action for that purpose is required.

No offers, sales or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on us or the Guarantor. In the event that we contemplate a placing, placing fees may be payable in connection with any issue and we may, at our discretion, allow discounts to placees.

United States of America

Each series of Structured Products has not been, and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Structured Products has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1936, as amended. We have not been registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended. The Structured Products may not at any time be offered, sold, delivered, traded or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person and a U.S. person may not, at any time, directly or indirectly, maintain a position in the Structured Products. Offers, sales, trading or delivery of the Structured Products in the United States or to, or for the account or benefit of, U.S. persons, unless pursuant to a registered transaction under the Securities Act or pursuant to an exemption from registration therefrom, may constitute a violation of United States laws governing securities and commodities trading. Exercise of the Structured Products will be conditional upon certification as to non-U.S. beneficial ownership. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. We will not offer, sell or deliver any Structured Products within the United States or to, or for the account or benefit of, U.S. persons, and it will require all those dealers participating in the distribution of the Structured Products not to offer, sell, deliver or trade, at any time, directly or indirectly, any Structured Products in the United States or to, or for the account or benefit of, any U.S. person. In addition, we will send to each dealer to which we sell Structured Products at any time a confirmation or other notice setting forth the restrictions on offers, sales and deliveries of the Structured Products in the United States or to, or for the account or benefit of, U.S. persons. As used herein, "**United States**" means the United States of America, its territories or possessions, any state of the United States, the District of Columbia or any other enclave of the United States government, its agencies or instrumentalities; and "**U.S. person**" means:

(a) any natural person resident in the United States;

(b) any partnership or corporation organized or incorporated under the laws of the United States;

(c) any estate of which any executor or administrator is a U.S. person;

(d) any trust of which any trustee is a U.S. person;

(e) any agency or branch of a foreign entity located in the U.S.;

(f) any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

(g) any discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or resident in the United States;

(h) any partnership or corporation organised or incorporated under the laws of any jurisdiction other than the United States and formed by a U.S. person with the principal purpose of investing in unregistered securities under the Securities Act (unless organised and owned by "accredited investors" who are not natural persons, estates or trusts); and

(i) any other "U.S. Person" as such term is defined in Regulation S under the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), no offer of Structured Products which are the subject of the offering contemplated by this document as completed by the relevant supplemental listing document in relation thereto to the public in that Relevant Member State has been, or will be, made except, with effect from and including the Relevant Implementation Date, an offer of Structured Products to the public in that Relevant Member State may be made:

(a) if the supplemental listing document in relation to the Structured Products specifies that an offer of those Structured Products may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Structured Products which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the supplemental listing document contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or supplemental listing document, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Structured Products referred to in (b) to (d) above shall require us or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Structured Products to the public**" in relation to any Structured Products in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Structured Products to be offered so as to enable an investor to decide to purchase or subscribe the Structured Products, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**")) in connection with the issue or sale of the Structured Products has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA would not, if we were not an authorised person, apply to us. All applicable provisions of the FSMA have been complied with, and will be complied with, with respect to anything done by it in relation to any Structured Products in, from or otherwise involving the United Kingdom.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, any advertisement, invitation or document relating to the Structured Products, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Structured Products which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, The Laws of Hong Kong) and any rules made thereunder.

TEXT OF THE GUARANTEE OF BNP PARIBAS

Our obligations under the Structured Products are guaranteed by the Guarantor under the Guarantee executed by the Guarantor by way of deed poll and dated as of 29 March 2012. The text of the Guarantee is set out below.

"THIS GUARANTEE is made by way of deed poll by BNP Paribas (the "**Guarantor**") in favour of the holders for the time being of the Structured Products (as defined below) (each a "**Holder**") and dated as of 29 March 2012. WHEREAS:—

(A) The Guarantor has agreed to guarantee all obligations of BNP Paribas Arbitrage Issuance B.V. (the "**Issuer**") under any structured products (including, without limitation, Warrants, callable bull/bear contracts ("**CBBC**") or other types of structured products (together, the "**Structured Products**")) issued from time to time by the Issuer pursuant to a base listing document to be dated on or about 29 March 2012 ("**Base Listing Document**", which expression shall include any amendment and/or supplement thereto and any replacement or further issue of any base listing document issued by the Issuer from time to time in respect of Structured Products (and whether or not issued pursuant to any condition imposed by the Securities and Futures Commission pursuant to the Securities and Futures Ordinance or by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Rules Governing the Listing of Securities on the Stock Exchange)) and listed on the Stock Exchange.

(B) Terms defined in the Conditions of the Structured Products shall have the same meanings in this Deed of Guarantee except where the context requires otherwise. References to "**Conditions**" are to the terms and conditions set out in the Base Listing Document.

NOW THIS DEED WITNESSES as follows:

1 **Guarantee**: The Guarantor unconditionally and irrevocably guarantees by way of deed poll to each Holder that, if for any reason the Issuer does not pay any sum payable by it or perform any other obligation in respect of any Structured Product on the date specified for such payment or performance the Guarantor will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance. In case of the failure of the Issuer to satisfy such obligations as and when the same become due, the Guarantor hereby undertakes to make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the Guarantor were the principal obligor in respect of such obligation after a demand has been made on the Guarantor pursuant to clause 8 hereof.

Any such payment in accordance with this Clause 1 shall constitute a complete discharge of the Guarantor 's obligations in respect of such Structured Products.

2 **Guarantor as Principal Obligor**: As between the Guarantor and the holder of each Structured Product but without affecting the Issuer 's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment or performance of any other obligation in respect of any Structured Product, (4) the enforcement or absence of enforcement of any Structured Product or of any security or other guarantee or indemnity, (5) the release of any such security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions or any of the Issuer 's obligations under any of them).

3 **Guarantor 's Obligations Continuing**: The Guarantor 's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Structured Product (in each case subject to its exercise). Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands of any kind.

4 **Discharge by the Issuer**: If any payment received by, or other obligation discharged to or to the order of, the holder of any Structured Product is, on the subsequent bankruptcy or insolvency of the Issuer, avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by the Issuer.

5 **Indemnity**: As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees (1) that any sum or obligation which, although expressed to be payable under the Structured Products, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor or the holder of any Structured Product) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the holder of any Structured Product on demand and (2) as a primary obligation to indemnify each Holder against any loss suffered by it as a result of any sum or obligation expressed to be payable under the Structured Products not being paid or performed by the time, on the date and otherwise in the manner specified in the Structured Products or any obligation of the Issuer under the Structured Products being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to the Issuer, the Guarantor or any Holder), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum, PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply mutatis mutandis to this clause 5.

6 **Incorporation of Terms**: The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

7 **Deposit of Guarantee**: This Guarantee shall be deposited with and held by the Sponsor for the benefit of the Holders. If BNP Paribas Securities (Asia) Limited ceases to be the Sponsor its successor shall hold this Guarantee.

8 **Demand on the Guarantor**: Any demand hereunder shall be given in writing addressed to the Guarantor served at its head office at 16 Boulevard des Italiens, 75009 Paris, France, attention: Legal and Transaction Management Group. A demand so made shall be deemed to have been duly made five Paris Business Days (as used herein, "**Paris Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in Paris) after the day it was served or if it was served on a day that was not a Paris Business Day or after 5.30 p.m. (Paris time) on any day, the demand shall be deemed to be duly made five Paris Business Days after the Paris Business Day immediately following such day.

9 **Governing law**: This Guarantee shall be governed by and construed in accordance with the laws of Hong Kong.

10 **Jurisdiction**: The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Guarantee ("**Proceedings**") may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

11 **Service of Process**: The Guarantor agrees that service of process in Hong Kong may be made on it at its Hong Kong branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

IN WITNESS whereof this Guarantee has been executed by the Guarantor as a deed poll and delivered on the date specified below.

Dated as of 29 March 2012”

APPENDIX 1 - GENERAL CONDITIONS OF STRUCTURED PRODUCTS

These General Conditions relate to each series of Structured Products and must be read in conjunction with, and are subject to, the applicable Product Conditions and the Supplemental Listing Document in relation to the particular series of Structured Products. These General Conditions and the applicable Product Conditions (as supplemented, amended, modified and/or replaced by the relevant Supplemental Listing Document) together constitute the Conditions of the relevant Structured Products, and will be endorsed on the Global Certificate representing the relevant Structured Products. The Supplemental Listing Document in relation to the issue of any series of Structured Products may specify other terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these General Conditions and the applicable Product Conditions, replace or modify the General Conditions and/or the applicable Product Conditions for the purpose of such series of Structured Products.

1. Definitions

"**Base Listing Document**" means the base listing document relating to Structured Products dated 29 March 2012 and issued by the Issuer, including any addenda to such base listing document issued from time to time;

"**Board Lot**" has the meaning given to it in the relevant Supplemental Listing Document;

"**CCASS**" means the Central Clearing and Settlement System established and operated by HKSCC;

"**CCASS Rules**" means the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;

"**Conditions**" means, in respect of a particular series of Structured Products, these General Conditions and the applicable Product Conditions;

"**Expiry Date**" has the meaning given to it in the relevant Supplemental Listing Document;

"**General Conditions**" means these general terms and conditions;

"**Global Certificate**" means, in respect of the relevant Structured Products, a global certificate registered in the name of the Nominee;

"**Guarantee**" means a deed poll guarantee dated as of 29 March 2012 made by the Guarantor;

"**Guarantor**" means BNP Paribas;

"**HKSCC**" means Hong Kong Securities and Clearing Company Limited;

"**Holder**" means, in respect of each series of Structured Products, each person who is for the time being shown in the Register as the holder of the Structured Products, and who shall be treated by the Issuer, the Guarantor and the Sponsor as the absolute owner and holder of the relevant Structured Products. The expression "**Holders**" shall be construed accordingly;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Instrument**" means an instrument by way of deed poll dated 3 May 2006 executed by the Issuer which constitutes the Structured Products;

"**Issuer**" means BNP Paribas Arbitrage Issuance B.V.;

"**Nominee**" means HKSCC Nominees Limited (or such other nominee company as may be used by the HKSCC from time to time) in relation to the provision of nominee services to persons admitted for the time being by the HKSCC as a participant of CCASS;

"**Product Conditions**" means the product conditions relating to a particular series of Structured Products;

"**Register**" means, in respect of each series of Structured Products, the register of holders of such series of Structured Products kept by the Issuer outside of Hong Kong pursuant to General Condition 3.3;

"**Sponsor**" means BNP Paribas Securities (Asia) Limited;

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited;

"**Structured Products**" means derivative warrants ("**Warrants**"), callable bull/bear contracts ("**CBBCs**") or such other structured products to be issued by the Issuer from time to time. References to "**Structured Product**" are to be construed as references to a particular series of Structured Products; and

"**Supplemental Listing Document**" means the supplemental listing document relating to a particular series of Structured Products.

Other capitalised terms will, unless otherwise defined, have the meanings given to them in the Base Listing Document, the applicable Product Conditions, the relevant Supplemental Listing Document and/or the Global Certificate.

2. Form, Status, Transfer and Trading

2.1 ***Form***

The Structured Products (which expression shall, unless the context otherwise requires, include any further structured products issued pursuant to General Condition 9) are issued in registered form subject to and with the benefit of the Instrument and the Guarantee. Copies of the Instrument and the Guarantee are available for inspection at the specified offices of the Sponsor. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Instrument.

2.2 ***Status of the Issuer's obligations***

The settlement obligations of the Issuer in respect of the Structured Products represent general, unsecured and contractual obligations of the Issuer and of no other person and rank, and will rank, pari passu among themselves and with all other present and future unsecured and unsubordinated contractual obligations of the Issuer, except for obligations accorded preference by mandatory provisions of applicable law. The obligations of the Guarantor under the Guarantee represent general, unsecured and contractual obligations of the Guarantor and of no other person and rank, and will rank, pari passu with all other present and future unsecured and unsubordinated contractual obligations of the Guarantor, except for obligations accorded preference by mandatory provisions of applicable law.

2.3 ***Transfer and Trading of Structured Products***

Transfers of Structured Products may be effected only in Board Lots or integral multiples thereof in CCASS in accordance with the CCASS Rules.

Trading in Structured Products on the Stock Exchange shall cease prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

3. Sponsor and Register

3.1 The Sponsor will not assume any obligation or duty to or any relationship or agency or trust for the Holder.

3.2 The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the initial Sponsor and to appoint another sponsor provided that it will at all times maintain a sponsor in Hong Kong for so long as the Structured Products are listed on the Stock Exchange. Notice of any such termination or appointment will be given to the Holders in accordance with General Condition 7.

3.3 The Register will be maintained outside Hong Kong by the Issuer and the Issuer will enter or cause to be entered the name, address and banking details of the Holders, the details of the Structured Products held by each Holder, including the number of Structured Products of each series held and any other particulars which it thinks proper.

4. Purchases

The Issuer, the Guarantor and/or any of their respective affiliates may at any time purchase Structured Products at any price in the open market or by tender or by private treaty. Any Structured Products so purchased may be held, resold or surrendered for cancellation.

5. Global Certificate

The Structured Products will be represented by a Global Certificate. No definitive certificate will be issued. The Structured Products can only be exercised by the Nominee. The Global Certificate representing the relevant Structured Products will be deposited with CCASS in the name of the Nominee. The Global Certificate must be executed manually on behalf of the Issuer by its authorised person(s) or attorney(s).

6. Meetings of Holders and Modification

6.1 *Meetings of Holders*

The Instrument contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Instrument) of a modification of the provisions of the Structured Products or of the Instrument.

Any resolution to be passed in a meeting of the Holders shall be decided by poll. A meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. of the Structured Products for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Structured Products for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Structured Products so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the Holders being held if passed unanimously.

6.2 *Modification*

The Issuer may, without the consent of the Holders, effect any modification of the terms and conditions of the Structured Products or the Instrument which, in the opinion of the Issuer, is:

(a) not materially prejudicial to the interests of the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such modification in any particular jurisdiction);

(b) of a formal, minor or technical nature;

(c) made to correct a manifest error; or

(d) necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong.

Any such modification shall be binding on the Holders and shall be notified to them by the Issuer or the Sponsor (as the case may be) as soon as practicable thereafter in accordance with General Condition 7.

7. Notices

All notices to the Holders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If such publication is not practicable, notice will be given in such other manner as the Issuer may determine appropriate.

8. Adjustment to the Conditions

8.1 ***Other Adjustments***

Without prejudice to and notwithstanding any prior adjustment(s) made pursuant to the applicable Conditions, the Issuer may (but shall not be obliged to) make such other adjustments to the terms and conditions of the Structured Products as appropriate where any event (including the events as contemplated in the applicable Conditions) occurs and irrespective of, in substitution for, or in addition to the provisions contemplated in the applicable Conditions, provided that such adjustment is:

(a) not materially prejudicial to the interests of the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or

(b) determined by the Issuer in good faith to be appropriate and commercially reasonable.

8.2 ***Notice of Adjustments***

All determinations made by the Issuer in respect of any adjustment to the Conditions will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

9. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further structured products so as to form a single series with the Structured Products.

10. Taxation

The Issuer is not liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or exercise of any Structured Products.

11. Good Faith and Commercially Reasonable Manner

Any exercise of discretion by the Issuer under the Conditions will be made in good faith and in a commercially reasonable manner.

12. Governing Law

The Structured Products, the Global Certificate, the Guarantee and the Instrument will be governed by and construed in accordance with the laws of Hong Kong. The Issuer, the Guarantor and each Holder (by its purchase of the Structured Products) shall be deemed to have submitted for all purposes in connection with the Structured Products, the Global Certificates, the Guarantee and the Instrument to the non-exclusive jurisdiction of the courts of Hong Kong.

13. Language

In the event of any inconsistency between (a) the Chinese translation of these General Conditions and/or the applicable Product Conditions and (b) the English version of these General Conditions and/or the applicable Product Conditions, the English version of these General Conditions and/or the applicable Product Conditions shall prevail.

14. Prescription

Claims against the Issuer for payment of any amount in respect of a series of Structured Product will become void unless made within ten years of the MCE Valuation Date or the Expiry Date (as the case may be) applicable to that series and thereafter, any sums payable in respect of such Structured Product shall be forfeited and shall revert to the Issuer.

Sponsor

BNP Paribas Securities (Asia) Limited
59th-63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong

APPENDIX 2 - PRODUCT CONDITIONS OF WARRANTS

The following pages set out the Product Conditions in respect of different types of Warrants.

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PART A -	PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES	53
PART B -	PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE UNIT TRUST	60
PART C -	PRODUCT CONDITIONS OF CASH SETTLED INDEX WARRANTS	67
PART D -	PRODUCT CONDITIONS OF CASH SETTLED COMMODITY WARRANTS	72
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PART A - PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Average Price**" means the arithmetic mean of the closing price of one Share, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like in respect of each Valuation Date;

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount in Hong Kong dollars calculated by the Issuer as follows:

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Average Price - Exercise Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Exercise Price - Average Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Company**" means the company specified as such in the relevant Supplemental Listing Document;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**Exercise Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Shares; or (ii) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Number of Warrant(s) per Entitlement**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Product Conditions**" means these product terms and conditions;

"**Settlement Date**" means the third CCASS Settlement Day following the Expiry Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Share**" means the share of the Company specified as such in the relevant Supplemental Listing Document and "**Shares**" shall be construed accordingly; and

"**Valuation Date**" means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Shares on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

(a) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(b) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 *Warrant Rights*

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 *Exercise Expenses*

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 *Rights Issues*

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E : Existing Entitlement immediately prior to the Rights Offer

S : Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis

R : Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Rights

M : Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 *Bonus Issues*

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E : Existing Entitlement immediately prior to the Bonus Issue

N : Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

4.3 ***Share Splits or Consolidations***

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "**Subdivision**") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 ***Merger or Consolidation***

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

4.5 ***Cash Distribution***

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a script alternative) ("**Ordinary Dividend**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share's closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where

$$\text{Adjustment Factor} = \frac{\text{S - OD}}{\text{S - OD - CD}}$$

E : Existing Entitlement immediately prior to the Cash Distribution

S : The closing price of the Share on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD : The Cash Distribution per Share

OD : The Ordinary Dividend per Share, provided that the date on which the Shares are traded on an ex-Ordinary Dividend basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Shares are traded on an ex-Ordinary Dividend basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

5. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

6. Delisting

6.1 ***Adjustments following delisting***

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 ***Listing on another exchange***

Without prejudice to the generality of Product Condition 6.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

7. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

BNP Paribas Securities (Asia) Limited
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Central, Hong Kong

PART B - PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE UNIT TRUST

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Average Price**" means the arithmetic mean of the closing price of one Unit, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like in respect of each Valuation Date;

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount in Hong Kong dollars calculated by the Issuer as follows:

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Average Price - Exercise Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Exercise Price - Average Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**Exercise Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Units; or (ii) any options or futures contracts relating to the Units if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Number of Warrant(s) per Entitlement**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Product Conditions**" means these product terms and conditions;

"**Settlement Date**" means the third CCASS Settlement Day following the Expiry Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Trust**" means the trust specified as such in the relevant Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Supplemental Listing Document and "**Units**" shall be construed accordingly; and

"**Valuation Date**" means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Units on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

(a) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(b) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 *Warrant Rights*

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 *Exercise Expenses*

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. *Exercise of Warrants*

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Dateis greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 *Rights Issues*

If and whenever the Trust shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E : Existing Entitlement immediately prior to the Rights Offer

S : Cum-Rights Unit price determined by the closing price on the Stock Exchange on the last Business Day on which Units are traded on a cum-Rights basis

R : Subscription price per Unit as specified in the Rights Offer plus an amount equal to any distribution or other benefits foregone to exercise the Rights

M : Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 *Bonus Issues*

If and whenever the Trust shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Trust or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E : Existing Entitlement immediately prior to the Bonus Issue

N : Number of additional Units (whether a whole or a fraction) received by a holder of existing Units for each Unit held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

4.3 ***Subdivisions or Consolidations***

If and whenever the Trust shall subdivide its Units or any class of its outstanding Unit into a greater number of units (a "**Subdivision**") or consolidate the Units or any class of its outstanding unit capital comprised of the Units into a smaller number of units (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 ***Merger or Consolidation***

If it is announced that the Trust is to or may merge with or into any other trust or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Trust is the surviving entity in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of units of the trust(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Units shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

4.5 ***Cash Distribution***

No adjustment will be made for an ordinary cash distribution (whether or not it is offered with a script alternative) ("**Ordinary Distribution**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Trust, such as a cash bonus, special distribution or extraordinary distribution, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Unit's closing price on the day of announcement by the Trust.

If and whenever the Trust shall make a Cash Distribution credited as fully paid to the holders of Units generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E : Existing Entitlement immediately prior to the Cash Distribution

S : The closing price of the Unit on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD : The Cash Distribution per Unit

OD : The Ordinary Distribution per Unit, provided that the date on which the Units are traded on an ex-Ordinary Distribution basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Units are traded on an ex-Ordinary Distribution basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

5. Termination or Liquidation

In the event of a Termination or the liquidation or dissolution of the trustee of the Trust (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Trust) or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose. In the case of a Termination, the unexercised Warrants will lapse and shall cease to be valid on the effective date of the Termination, in the case of a voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

For the purpose of this Product Condition 5, "**Termination**" means (i) the Trust is terminated, or the Trustee or the manager of the Trust (including any successor manager appointed from time to time) ("**Manager**") is required to terminate the Trust under the trust deed ("**Trust Deed**") constituting the Trust or applicable law, or the termination of the Trust commences; (ii) the Trust is held or is conceded by the Trustee or the Manager not to have been constituted or to have been imperfectly constituted; (iii) the Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and perform its obligations under the Trust Deed; or (iv) the Trust ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

6. Delisting

6.1 ***Adjustments following delisting***

If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 ***Listing on another exchange***

Without prejudice to the generality of Product Condition 6.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

7. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

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Central, Hong Kong

PART C - PRODUCT CONDITIONS OF CASH SETTLED INDEX WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, either (i) converted (if applicable) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{(Closing Level - Strike Level) x Index Currency Amount x one Board Lot}}{\text{Divisor}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{(Strike Level - Closing Level) x Index Currency Amount x one Board Lot}}{\text{Divisor}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Level**" has the meaning given to it in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Divisor**" means the number specified as such in the relevant Supplemental Listing Document;

"**Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**First Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Index**" means the index specified in the relevant Supplemental Listing Document;

"**Index Compiler**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Index Currency Amount**" means the number specified as such in the relevant Supplemental Listing Document;

"**Index Exchange**" means the Stock Exchange or any other exchange as specified in the relevant Supplemental Listing Document;

"**Interim Currency**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on the Valuation Date during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:

(i) the suspension or material limitation of the trading of a material number of constituent securities that comprise the Index; or

(ii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or

(iii) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this paragraph (a), (X) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any relevant exchange, and (Y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event;

(b) where the Index Exchange is the Stock Exchange, the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued;

(c) a limitation or closure of the Index Exchange due to any unforeseen circumstances; or

(d) any circumstances beyond the control of the Issuer in which the Closing Level or, if applicable, the Exchange Rate, the First Exchange Rate or the Second Exchange Rate (as the case may be) cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Product Conditions**" means these product terms and conditions;

"**Second Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document;

"**Settlement Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day following the Expiry Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Level**" means the level specified as such in the relevant Supplemental Listing Document; and

"**Valuation Date**" means the date specified in the Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on the Valuation Date, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event, provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 *Warrant Rights*

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 *Exercise Expenses*

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) *Cancellation*

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments to the Index

4.1 ***Successor Index Compiler Calculates and Reports Index***

If the Index is:

(a) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the "**Successor Index Compiler**") acceptable to the Issuer; or

(b) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

4.2 ***Modification and Cessation of Calculation of Index***

If:

(a) on or prior to the Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities, contracts, commodities or currencies and other routine events); or

(b) on the Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event), then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at the Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities, contracts, commodities or currencies that comprised the Index immediately prior to that change or failure (other than those securities, contracts, commodities or currencies that have since ceased to be listed on the relevant exchange).

5. Illegality and Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART D - PRODUCT CONDITIONS OF CASH SETTLED COMMODITY WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"Cash Settlement Amount" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, converted into the Settlement Currency at the Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" has the meaning given to it in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Commodity**" means the commodity specified as such in the relevant Supplemental Listing Document;

"Commodity Business Day" has the meaning given to it in the relevant Supplemental Listing Document;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on a Valuation Day of any suspension of or material limitation imposed on, trading in the Commodity or any warrants, options contracts or futures contracts relating to the Commodity on any Related Exchange;

(b) a limitation or closure of any Related Exchange or the Stock Exchange due to any unforeseen circumstances;

(c) the disappearance of, or disappearance of trading in, the Commodity;

(d) a Price Source Disruption Event; or

(e) any circumstances beyond the control of the Issuer in which the Closing Price or the Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Price Source**" means the publication (or such other origin of price source reference) (if any) specified as such in the relevant Supplemental Listing Document;

"**Price Source Disruption Event**" means:

(a) the failure of the Price Source to announce or publish any relevant level, value or price in relation to the Commodity (or the information necessary for determining the Closing Price); or

(b) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Product Conditions**" means these product terms and conditions;

"**Relevant Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"Related Exchange" means any exchange or quotation system in a major international market (including but not limited to New York, Chicago, London, Australia and Frankfurt) on which options contracts or futures contracts or other derivatives contracts relating to the Commodity is traded, as determined by the Issuer;

"**Settlement Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day following the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Price**" means the price specified as such in the relevant Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Closing Price on the basis of its good faith estimate of the Closing Price that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 ***Warrant Rights***

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 ***Exercise Expenses***

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 *Market Disruption Events*

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Price Source, the Closing Price, the Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 *Foreign Currency Controls*

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer 's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency,

then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART E - PRODUCT CONDITIONS OF CASH SETTLED COMMODITY FUTURES WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, converted into the Settlement Currency at the Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" has the meaning given to it in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Commodity**" means the commodity specified as such in the relevant Supplemental Listing Document;

"**Commodity Futures**" means the commodity futures specified as such in the relevant Supplemental Listing Document;

"**Commodity Futures Trading Day**" means a day on which the Relevant Exchange is scheduled to open for trading;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on the Valuation Date of:

  (i) any suspension of or limitation imposed on trading:

    (A) on the Relevant Exchange in the Commodity Futures or securities generally; or

    (B) on any Related Exchange in any options contracts or futures contracts relating to the Commodity or the Commodity Futures, if, in any such case, such suspension or limitation is, in the determination of the Issuer, material; or

  (ii) of any event that disrupts or impairs (as determined by the Issuer) the ability of market participants in general to effect transactions in, or obtain market values for, the Commodity Futures, options contracts or futures contracts on or relating to the Commodity or Commodity Futures on any Related Exchange; or

(b) the failure of the Relevant Exchange to announce or publish any relevant level, value or price in relation to the Commodity Futures (or the information necessary for determining the Closing Price); or

(c) a limitation or closure of the Relevant Exchange, any Related Exchange or the Stock Exchange due to any other unforeseen circumstances; or

(d) the permanent discontinuation of trading in the Commodity Future on the Relevant Exchange or the disappearance of, or disappearance of trading in, the Commodity Futures or the Commodity; or

(e) any circumstances beyond the control of the Issuer in which the Closing Price or the Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances; or

(f) the occurrence of a material change in the content, composition or constitution of the Commodity Futures or the Commodity; or

(g) the occurrence of a material change in the formula for or the method of calculating the relevant level, value or price in relation to the Commodity Futures.

"**Product Conditions**" means these product terms and conditions;

"**Relevant Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Related Exchange**" means any exchange or quotation system in a major international market on which options contracts or futures contracts or other derivatives contracts relating to the Commodity Futures is traded, as determined by the Issuer;

"**Relevant Exchange**" means the exchange specified as such in the relevant Supplemental Listing Document;

"**Settlement Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day following the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Price**" means the price specified as such in the relevant Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Closing Price on the basis of its good faith estimate of the Closing Price that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 ***Warrant Rights***

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 ***Exercise Expenses***

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 ***Market Disruption Events***

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Closing Price, the Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 ***Foreign Currency Controls***

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer 's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency,

then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

(i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

(ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

(each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART F - PRODUCT CONDITIONS OF CASH SETTLED CURRENCY WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business and for carrying on foreign exchange transactions in Hong Kong;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows:

(a) in the case of a series of call Warrants, as equal to the excess of the Spot Rate over the Strike Rate, multiplied by the Currency Amount, converted (if applicable) into the Settlement Currency at the Settlement Exchange Rate; or

(b) in the case of a series of put Warrants, as equal to the excess of the Strike Rate over the Spot Rate, multiplied by the Currency Amount, converted (if applicable) into the Settlement Currency at the Settlement Exchange Rate.

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Currency Amount**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Currency Pair**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Dealing Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence, or existence, on the Valuation Date, of any circumstances beyond the control of the Issuer in which the Spot Rate or, if applicable, the Settlement Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances; and/or

(b) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

"**Product Conditions**" means these product terms and conditions;

"**Settlement Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day following the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Spot Rate**" has the meaning given to it in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Settlement Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Strike Rate**" means the rate specified as such in the relevant Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Spot Rate or, if applicable, the Settlement Exchange Rate or any other variables on the basis of its good faith estimate of the Spot Rate or, if applicable, the Settlement Exchange Rate or any other variables that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 *Warrant Rights*

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 *Exercise Expenses*

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) *Cancellation*

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 ***Market Disruption Events***

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Spot Rate or, if applicable, the Settlement Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 ***Foreign Currency Controls***

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer 's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Settlement Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency, then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality and Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

BNP Paribas Securities (Asia) Limited
59th-63rd Floors
Two International Finance Centre
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Central, Hong Kong

APPENDIX 3 - PRODUCT CONDITIONS OF CBBCS

The following pages set out the Product Conditions in respect of different types of CBBCs.

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PART A - PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER SINGLE EQUITIES

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Call Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Cash Settlement Amount**" means:

(a) following a Mandatory Call Event:

  (i) in the case of a series of Category R CBBCs, the Residual Value; or

  (ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

  (i) In the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

  (ii) In the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Price is equal to the Strike Price;

"**Category R CBBCs**" means a series of CBBCs where the Call Price is different from the Strike Price;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time.

"**Closing Price**" means the closing price of one Share, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like on the Valuation Date;

"**Company**" means the company specified as such in the relevant Supplemental Listing Document;

"**Day of Notification"** means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Price of the Shares on any Trading Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Price; or

(b) in the case of a series of bear CBBCs, at or above the Call Price;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Trading Day during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Shares; or (ii) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Maximum Trade Price**" means the highest Spot Price of the Shares during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

"**MCE Valuation Period**" means the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the "**1st Session**") and up to the end of the trading session on the Stock Exchange immediately following the 1st Session ("**2nd Session**") unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed, the MCE Valuation Period shall be extended to the end of the subsequent trading session following the 2nd Session during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session, unless the Issuer determines in its good faith that each trading session on each of the four Trading Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed. In that case:

(a) the period commencing from the 1st Session up to, and including, the last trading session on the Stock Exchange of the fourth Trading Day immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

(b) the Issuer shall determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Price and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only;

"**Minimum Trade Price**" means the lowest Spot Price of the Shares during the MCE Valuation Period;

"**Number of CBBC(s) per Entitlement**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Observation Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Stock Exchange on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means:

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Minimum Trade Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Strike Price - Maximum Trade Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

"**Settlement Date**" means the third CCASS Settlement Day following (i) the Valuation Date or (ii) the MCE Valuation Date, as the case may be;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Share**" means the share of the Company specified as such in the relevant Supplemental Listing Document and "**Shares**" shall be construed accordingly;

"**Spot Price**" means:

(a) in respect of a continuous trading session of the Stock Exchange, the price per Share concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules); and

(b) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange, as the case may be, the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Share (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable), as the case may be, in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Strike Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time; and

"**Valuation Date**" means the Trading Day immediately preceding the Expiry Date unless, in the determination of the Issuer, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer determines that there is no Market Disruption Event, unless the Issuer determines that there is a Market Disruption Event occurring on each of the four Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case:

(a) the fourth Trading Day immediately following the original date shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and

(b) the Issuer shall determine the Closing Price of the Shares having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Stock Exchange and such other factors as the Issuer determines to be relevant.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Hedging Disruption and Illegality or Impracticability

2.1 ***Hedging Disruption***

(a) Notification

The Issuer shall as soon as reasonably practicable give notice to the Holders in accordance with General Condition 7:

(i) if it determines that a Hedging Disruption Event has occurred; and

(ii) of the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to Product Condition 2.1(c).

(b) Hedging Disruption Event

A "**Hedging Disruption Event**" occurs if the Issuer determines in good faith and in a commercially reaonsable manner that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially to establish, re-establish, substitute or maintain a relevant hedging transaction (a "**Relevant Hedging Transaction**") it deems necessary or desirable to hedge the Issuer 's obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

(i) any material illiquidity in the market for the Shares;

(ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);

(iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or

(iv) the general unavailability of:

(A) market participants who will agree to enter into a Relevant Hedging Transaction; or

(B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(c) Consequences

The Issuer, in the event of a Hedging Disruption Event, may determine to:

(i) terminate the CBBCs. In such circumstances the Issuer will, however, if and to the extent permitted by any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority power, pay to each Holder in respect of each CBBC held by such Holder an amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value of the CBBCs immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 7; or

(ii) make any other adjustment to the Product Conditions as it considers appropriate in order to maintain the theoretical value of the CBBCs after adjusting for the relevant Hedging Disruption Event.

2.2 ***Illegality or Impracticability***

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

(i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

(ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

(each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 ***Exercise of CBBCs in Board Lots***

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 ***Automatic Exercise***

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 ***Mandatory Call Event***

(a) Subject to Product Condition 3.3(b), following a Mandatory Call Event, the CBBCs will terminate automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session immediately after the MCE Valuation Period in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time, in which case, (A) the Mandatory Call Event so triggered will be reversed; and (B) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/or requirements prescribed by the Stock Exchange from time to time.

3.4 ***Entitlement***

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 ***Cancellation***

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 ***Exercise Expenses***

(a) Any Exercise Expenses which were not determined by the Issuer:

  (i) during the MCE Valuation Period following the Mandatory Call Event; or

  (ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 ***Cash Settlement***

Upon early expiration of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses) (if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) (if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 ***Responsibility of Issuer, Guarantor and Sponsor***

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation of the Cash Settlement Amount.

The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the Shares.

3.9 ***Liability of Issuer, Guarantor and Sponsor***

Exercise and settlement of the CBBCs is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer, the Guarantor, nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer, the Guarantor, nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 ***Trading***

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments

4.1 *Rights Issues*

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis

R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Rights

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 *Bonus Issues*

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

Adjustment Factor = 1 + N

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Bonus Issue Adjustment Date.

4.3 ***Share Splits or Consolidations***

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "**Subdivision**") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 ***Merger or Consolidation***

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the CBBCs may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the CBBCs after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the CBBCs related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

4.5 ***Cash Distribution***

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a script alternative) ("**Ordinary Dividend**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share's closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Trading Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E: Existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Share on the Stock Exchange on the Trading Day immediately preceding the Cash Distribution Adjustment Date

CD: The Cash Distribution per Share

OD: The Ordinary Dividend per Share, provided that the date on which the Shares are traded on an ex-Ordinary Dividend basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Shares are traded on an ex-Ordinary Dividend basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Cash Distribution Adjustment Date.

5. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised CBBCs will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

6. Delisting

6.1 ***Adjustments following delisting***

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the CBBCs as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 ***Listing on another exchange***

Without prejudice to the generality of Product Condition 6.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

Sponsor

BNP Paribas Securities (Asia) Limited
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Two International Finance Centre
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Central, Hong Kong

PART B - PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER AN INDEX

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document, subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Call Level**" means the level specified as such in the relevant Supplemental Listing Document;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount calculated by the Issuer in accordance with the following formula (and, if appropriate, either (X) converted (if applicable) into the Settlement Currency at the Exchange Rate or, as the case may be, (Y) converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) following a Mandatory Call Event:

(i) in the case of a series of Category R CBBCs, the Residual Value; or

(ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

(i) in the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Closing Level - Strike Level}) \times \text{Index Currency Amount} \times \text{one Board Lot}}{\text{Divisor}}$$

(ii) in the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Strike Level - Closing Level}) \times \text{Index Currency Amount} \times \text{one Board Lot}}{\text{Divisor}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Level is equal to the Strike Level;

"**Category R CBBCs**" means a series of CBBCs where the Call Level is different from the Strike Level;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Level**" has the meaning given to it in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Day of Notification**" means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Divisor**" means the number specified as such in the relevant Supplemental Listing Document;

"**Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**First Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Index**" means the index specified in the relevant Supplemental Listing Document;

"**Index Business Day**" means any day on which the Index Exchange is scheduled to open for trading for its regular trading sessions;

"**Index Compiler**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Index Currency Amount**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Index Exchange**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Interim Currency**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Level of the Index on any Index Business Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Level; or

(b) in the case of a series of bear CBBCs, at or above the Call Level;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Index Business Day during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:

    (i) the suspension or material limitation of the trading of a material number of constituent securities that comprise the Index; or

    (ii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or

    (iii) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this paragraph (a), (X) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any relevant exchange, and (Y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event;

(b) where the Index Exchange is the Stock Exchange, the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued;

(c) a limitation or closure of the Index Exchange due to any unforeseen circumstances; or

(d) any circumstances beyond the control of the Issuer in which the Closing Level or, if applicable, the Exchange Rate, the First Exchange Rate or the Second Exchange Rate (as the case may be) cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Maximum Index Level**" means the highest Spot Level of the Index during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

"**MCE Valuation Period**" means:

(a) in respect of an Index Exchange located in Hong Kong, the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the "**1st Session**") and up to the end of the trading session on the Index Exchange immediately following the 1st Session ("**2nd Session**") unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which Spot Level(s) is/are available, the MCE Valuation Period shall be extended to the end of the subsequent trading session on the Index Exchange following the 2nd Session during which Spot Level(s) is/are available for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session unless the Issuer determines in its good faith that each trading session on each of the four Index Business Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which Spot Levels are available.

    In that case:

    (i) the period commencing from the 1st Session up to, and including, the last trading session of the fourth Index Business Day on the Index Exchange immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

    (ii) the Issuer shall determine the Maximum Index Level or the Minimum Index Level (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Level of the Index and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Levels available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Index Level or the Minimum Index Level (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only; and

(b) in respect of an Index Exchange located outside Hong Kong, the period specified in the relevant Supplemental Listing Document;

"**Minimum Index Level**" means the lowest Spot Level of the Index during the MCE Valuation Period;

"**Observation Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding that the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Price Source**", if applicable, has the meaning given to it in the relevant Supplemental Listing Document;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means, in respect of every Board Lot, an amount calculated by the Issuer in accordance with the following formula (and, if appropriate, either, converted (if applicable) into the Settlement Currency at the Exchange Rate, or converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{(\text{Minimum Index Level - Strike Level}) \text{ x Index Currency Amount x one Board Lot}}{\text{Divisor}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{(\text{Strike Level - Maximum Index Level}) \text{ x Index Currency Amount x one Board Lot}}{\text{Divisor}}$$

"**Settlement Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day following (i) the Valuation Date; or (ii) the MCE Valuation Date, as the case may be;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Second Exchange Rate**" means the rate specified as such in the relevant Supplemental Listing Document;

"**Spot Level**" means, unless otherwise specified in the relevant Supplemental Listing Document, the spot level of the Index as compiled and published by the Index Compiler;

"**Strike Level**" means the level specified as such in the relevant Supplemental Listing Document;

"**Successor Index**" means the successor index specified in the relevant Supplemental Listing Document;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time; and

"**Valuation Date**" means the date specified as such in the relevant Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on the Valuation Date, then the Issuer shall determine the Closing Level of the Index on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer, if applicable, may, but will not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Hedging Disruption and Illegality or Impracticability

2.1 *Hedging Disruption*

(a) Notification

The Issuer shall as soon as reasonably practicable give notice to the Holders in accordance with General Condition 7:

(i) if it determines that a Hedging Disruption Event has occurred; and

(ii) of the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to Product Condition 2.1(c).

(b) Hedging Disruption Event

A "**Hedging Disruption Event**" occurs if the Issuer determines in good faith and in a commercially reasonable manner that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially to establish, re-establish, substitute or maintain a relevant hedging transaction (a "**Relevant Hedging Transaction**") it deems necessary or desirable to hedge the Issuer 's obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

(i) any material illiquidity in the market for the components comprising the Index;

(ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);

(iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or

(iv) the general unavailability of:

(A) market participants who will agree to enter into a Relevant Hedging Transaction; or

(B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(c) Consequences

The Issuer, in the event of a Hedging Disruption Event, may determine to:

(i) terminate the CBBCs. In such circumstances the Issuer will, however, if and to the extent permitted by any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority power, pay to each Holder in respect of each CBBC held by such Holder an amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value of the CBBC immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 7; or

(ii) make any other adjustment to the Product Conditions as it considers appropriate in order to maintain the theoretical value of the CBBCs after adjusting for the relevant Hedging Disruption Event.

2.2 ***Illegality or Impracticability***

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

(i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

(ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

(each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 *Exercise of CBBCs in Board Lots*

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 *Automatic Exercise*

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 *Mandatory Call Event*

(a) Subject to Product Condition 3.3(b) below, following a Mandatory Call Event, the CBBCs will be terminated automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session of the Stock Exchange immediately after the corresponding trading session of the Stock Exchange during which the MCE Valuation Period ends in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case,

(A) in respect of an Index Exchange located in Hong Kong, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time; or

(B) in respect of an Index Exchange located outside Hong Kong:

(1) the revocation of the Mandatory Call Event is communicated to the other party by 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time; and

(2) the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked on the Day of Notification.

In both cases:

(C) the Mandatory Call Event so triggered will be reversed; and

(D) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/or requirements prescribed by the Stock Exchange from time to time.

3.4 ***Entitlement***

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 ***Cancellation***

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 ***Exercise Expenses***

(a) Any Exercise Expenses which were not determined by the Issuer:

(i) during the MCE Valuation Period following the Mandatory Call Event; or

(ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 ***Cash Settlement***

Upon early termination of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses)(if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses)(if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 ***Responsibility of Issuer, Guarantor and Sponsor***

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation of the Cash Settlement Amount. The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the constituent securities, contracts, commodities or currencies comprising the Index.

3.9 ***Liability of Issuer, Guarantor and Sponsor***

Exercise and settlement of the CBBCs is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer, the Guarantor nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer, the Guarantor nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 ***Trading***

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments to the Index

4.1 ***Successor Index Compiler Calculates and Reports Index***

If the Index is:

(a) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the "**Successor Index Compiler**") acceptable to the Issuer; or

(b) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

4.2 ***Modification and Cessation of Calculation of Index***

If:

(a) on any Index Business Day before the Expiry Date, the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities, contracts, commodities or currencies and other routine events); or

(b) on any Index Business Day before the Expiry Date, the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event), then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Index Business Day as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities, contracts, commodities or currencies that comprised the Index immediately prior to that change or failure (other than those securities, contracts, commodities or currencies that have since ceased to be listed on the relevant exchange).

Sponsor

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Central, Hong Kong

PART C - PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER SINGLE UNIT TRUST

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Supplemental Listing Document, subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

"**Call Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Cash Settlement Amount**" means:

(a) following a Mandatory Call Event:

(i) in the case of a series of Category R CBBCs, the Residual Value; or

(ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

(i) in the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(ii) In the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Price is equal to the Strike Price;

"**Category R CBBCs**" means a series of CBBCs where the Call Price is different from the Strike Price;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" means the closing price of one Unit, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any capitalisation, rights issue, distribution or the like on the Valuation Date;

"**Day of Notification"** means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Price of the Units on any Trading Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Price; or

(b) in the case of a series of bear CBBCs, at or above the Call Price;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Trading Day during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Units; or (ii) any options or futures contracts relating to the Units if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the issuance of the tropical cyclone warning signal number 8 or above or the issuance of a "BLACK" rainstorm signal on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for the opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the "BLACK" rainstorm signal having been issued; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Maximum Trade Price**" means the highest Spot Price of the Units during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

"**MCE Valuation Period**" means the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the "**1st Session**") and up to the end of the trading session on the Stock Exchange immediately following the 1st Session ("**2nd Session**") unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Units is permitted on the Stock Exchange with no limitation imposed, the MCE Valuation Period shall be extended to the end of the subsequent trading session following the 2nd Session during which trading in the Units is permitted on the Stock Exchange with no limitation imposed for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session, unless the Issuer determines in its good faith that each trading session on each of the four Trading Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Units is permitted on the Stock Exchange with no limitation imposed.

In that case:

(a) the period commencing from the 1st Session up to, and including, the last trading session on the Stock Exchange of the fourth Trading Day immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

(b) the Issuer shall determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Price and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only;

"**Minimum Trade Price**" means the lowest Spot Price of the Units during the MCE Valuation Period;

"**Number of CBBC(s) per Entitlement**" has the meaning given to it in the relevant Supplemental Listing Document;

"**Observation Commencement Date**" means the date specified as such in the relevant Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Stock Exchange on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means:

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Minimum Trade Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Strike Price - Maximum Trade Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

"**Settlement Date**" means the third CCASS Settlement Day following (i) the Valuation Date or (ii) the MCE Valuation Date, as the case may be;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Spot Price**" means:

(a) in respect of a continuous trading session of the Stock Exchange, the price per Unit concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules); and

(b) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange, as the case may be, the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Unit (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable), as the case may be, in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Strike Price**" means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time;

"**Trust**" means the trust specified as such in the relevant Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Supplemental Listing Document and "**Units**" shall be construed accordingly; and

"**Valuation Date**" means the Trading Day immediately preceding the Expiry Date unless, in the determination of the Issuer, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer determines that there is no Market Disruption Event, unless the Issuer determines that there is a Market Disruption Event occurring on each of the four Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case:

(a) the fourth Trading Day immediately following the original date shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and

(b) the Issuer shall determine the Closing Price of the Units having regard to the then prevailing market conditions, the last reported trading price of the Units on the Stock Exchange and such other factors as the Issuer determines to be relevant.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

2. Hedging Disruption and Illegality or Impracticability

2.1 *Hedging Disruption*

(a) Notification

The Issuer shall as soon as reasonably practicable give notice to the Holders in accordance with General Condition 7:

(i) if it determines that a Hedging Disruption Event has occurred; and

(ii) of the consequence of such Hedging Disruption Event as determined by the Issuer pursuant to Product Condition 2.1(c).

(b) Hedging Disruption Event

A "**Hedging Disruption Event**" occurs if the Issuer determines in good faith and in a commercially reasonable manner that it is or has become not reasonably practicable or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially to establish, re-establish, substitute or maintain a relevant hedging transaction (a "**Relevant Hedging Transaction**") it deems necessary or desirable to hedge the Issuer 's obligations in respect of the CBBCs. The reasons for such determination by the Issuer may include, but are not limited to, the following:

(i) any material illiquidity in the market for the Units;

(ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority);

(iii) a material decline in the creditworthiness of a party with whom the Issuer has entered into any such Relevant Hedging Transaction; or

(iv) the general unavailability of:

(A) market participants who will agree to enter into a Relevant Hedging Transaction; or

(B) market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(c) Consequences

The Issuer, in the event of a Hedging Disruption Event, may determine to:

(i) terminate the CBBCs. In such circumstances the Issuer will, however, if and to the extent permitted by the any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority power, pay to each Holder in respect of each CBBC held by such Holder an amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value of the CBBCs immediately prior to such termination less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 7; or

(ii) make any other adjustment to the Product Conditions as it considers appropriate in order to maintain the theoretical value of the CBBCs after adjusting for the relevant Hedging Disruption Event.

2.2 ***Illegality or Impracticability***

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

(i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

(ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

(each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 ***Exercise of CBBCs in Board Lots***

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 ***Automatic Exercise***

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 ***Mandatory Call Event***

(a) Subject to Product Condition 3.3(b), following a Mandatory Call Event, the CBBCs will terminate automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session immediately after the MCE Valuation Period in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time, in which case, (A) the Mandatory Call Event so triggered will be reversed; and (B) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/or requirements prescribed by the Stock Exchange from time to time.

3.4 ***Entitlement***

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 ***Cancellation***

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 ***Exercise Expenses***

(a) Any Exercise Expenses which were not determined by the Issuer:

(i) during the MCE Valuation Period following the Mandatory Call Event; or

(ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 ***Cash Settlement***

Upon early expiration of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses) (if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) (if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 ***Responsibility of Issuer, Guarantor and Sponsor***

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation of the Cash Settlement Amount.

The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the Units.

3.9 ***Liability of Issuer, Guarantor and Sponsor***

Exercise and settlement of the CBBCs is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer, the Guarantor, nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer, the Guarantor, nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 ***Trading***

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments

4.1 ***Rights Issues***

If and whenever the Trust shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E : Existing Entitlement immediately prior to the Rights Offer

S : Cum-Rights Unit price determined by the closing price on the Stock Exchange on the last Business Day on which Units are traded on a cum-Rights basis

R : Subscription price per Unit as specified in the Rights Offer plus an amount equal to any distributions or other benefits foregone to exercise the Rights

M : Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor . The adjustment to the Strike Price and the Call Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 ***Bonus Issues***

If and whenever the Trust shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Trust or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

Adjustment Factor = 1 + N

E : Existing Entitlement immediately prior to the Bonus Issue

N : Number of additional Units (whether a whole or a fraction) received by a holder of existing Units for each Unit held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made to the Entitlement. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjusted Entitlement, where the reciprocal of the Adjusted Entitlement means one divided by the relevant Adjusted Entitlement. The adjustment to the Strike Price and the Call Price shall take effect on the Bonus Issue Adjustment Date.

4.3 ***Subdivisions or Consolidations***

If and whenever the Trust shall subdivide its Units or any class of its outstanding Units into a greater number of units (a "**Subdivision**") or consolidate the Units or any class of its outstanding Units into a smaller number of units (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation, in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 ***Merger or Consolidation***

If it is announced that the Trust is to or may merge or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Trust is the surviving entity in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the CBBCs may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the CBBCs after the adjustment shall, after such Restructuring Event, relate to the number of units of the trust(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the CBBCs related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Units shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

4.5 ***Cash Distribution***

No adjustment will be made for an ordinary cash distribution (whether or not it is offered with a script alternative) ("**Ordinary Distribution**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Trust, such as a cash bonus, special distribution or extraordinary distribution, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Unit's closing price on the day of announcement by the Trust.

If and whenever the Trust shall make a Cash Distribution credited as fully paid to the holders of Units generally, the Entitlement shall be adjusted to take effect on the Trading Day on which trading in the Units becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E : Existing Entitlement immediately prior to the Cash Distribution

S : The closing price of the Unit on the Stock Exchange on the Trading Day immediately preceding the Cash Distribution Adjustment Date

CD : The Cash Distribution per Unit

OD : The Ordinary Distribution per Unit, provided that the date on which the Units are traded on an ex-Ordinary Distribution basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Units are traded on an ex-Ordinary Distribution basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Cash Distribution Adjustment Date.

5. Termination or Liquidation

In the event of a Termination, liquidation or dissolution of the trustee of the Trust (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Trust) or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, all unexercised CBBCs will lapse and shall cease to be valid for any purpose. In the case of a Termination, the unexercised CBBCs will lapse and shall cease to be valid on the effective date of the Termination, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

For the purpose of this Product Condition 5, "**Termination**" means (i) the Trust is terminated, or the Trustee or the manager of the Trust (including any successor manager appointed from time to time) ("**Manager**") is required to terminate the Trust under the trust deed ("**Trust Deed**") constituting the Trust or applicable law, or the termination of the Trust commences; (ii) the Trust is held or is conceded by the Trustee or the Manager not to have been constituted or to have been imperfectly constituted; (iii) the Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and perform its obligations under the Trust Deed; or (iv) the Trust ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

6. Delisting

6.1 *Adjustments following delisting*

If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the CBBCs as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 *Listing on another exchange*

Without prejudice to the generality of Product Condition 6.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

Sponsor

BNP Paribas Securities (Asia) Limited
59th-63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong

APPENDIX 4 - AUDITORS' REPORT AND THE GUARANTOR'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The information in this Appendix 4 is the Guarantor 's Consolidated Financial Statements for the year ended 31 December 2011. References to page numbers on the following pages are to the page numbers of such Consolidated Financial Statements.

BNP PARIBAS

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

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

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP Paribas
16 boulevard des Italiens
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2011, 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 2011 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

The accounting estimates used in the preparation of the consolidated financial statements for the year ended 31 December 2011 were made in an uncertain environment marked by an economic crisis and a liquidity crisis, which makes it difficult to assess the economic outlook. It is in this context that, 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, 2.f, 4, 5.f and 5.g to the consolidated financial statements. We examined the control procedures applicable to identifying exposures, monitoring credit and counterparty risk, impairment testing methods and determining individual and portfolio-based impairment losses, notably regarding Greek sovereign risk.

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 the identification of inactive markets, the conditions for reclassifying financial instruments, the verification of these models and the determination of the inputs used.

Impairment of available-for-sale assets

BNP Paribas recognises impairment losses on available-for-sale assets where there is objective evidence of a prolonged or significant decline in value, as described in notes 1.c.5, 2.d and 5.c to the consolidated financial statements. We examined the control procedures relating to the identification of such evidence, the valuations of the most significant captions, and the estimates used, where applicable, to record impairment losses.

Impairment related to goodwill

BNP Paribas carried out impairment tests on goodwill which led to the recording of impairment losses in 2011, as described in notes 1.b.4 and 5.o 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.

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.k to the consolidated financial statements. We examined the main estimates and assumptions used to record those deferred tax assets.

Provisions for employee benefits

BNP Paribas raises provisions to cover its employee benefit obligations, as described in notes 1.h and 7.b to the consolidated financial statements. We examined the method adopted to measure these obligations, as well as the main assumptions and inputs used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 7 March 2012

The Statutory Auditors

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

BNP PARIBAS | The bank for a changing world

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2011

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CONSOLIDATED FINANCIAL STATEMENTS

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

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2011 and 31 December 2010. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2009 are provided in the registration document filed with the Autorité des marchés financiers on 10 March 2010 under number D.10-0102.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

In millions of euros	Notes	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Interest income	2.a	47,124	47,388
Interest expense	2.a	(23,143)	(23,328)
Commission income	2.b	13,695	13,857
Commission expense	2.b	(5,276)	(5,371)
Net gain/loss on financial instruments at fair value through profit or loss	2.c	3,733	5,109
Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	2.d	280	452
Income from other activities	2.e	26,836	30,385
Expense on other activities	2.e	(20,865)	(24,612)
REVENUES		**42,384**	**43,880**
Operating expense		(24,608)	(24,924)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.n	(1,508)	(1,593)
GROSS OPERATING INCOME		**16,268**	**17,363**
Cost of risk	2.f	(6,797)	(4,802)
OPERATING INCOME		**9,471**	**12,561**
Share of earnings of associates		80	268
Net gain on non-current assets		206	269
Goodwill	5.o	(106)	(78)
PRE-TAX INCOME		**9,651**	**13,020**
Corporate income tax	2.g	(2,757)	(3,856)
NET INCOME		**6,894**	**9,164**
Net income attributable to minority interests		844	1,321
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**6,050**	**7,843**
Basic earnings per share	8.a	4.82	6.33
Diluted earnings per share	8.a	4.81	6.32

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

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Net income for the period	**6,894**	**9,164**
Changes in assets and liabilities recognised directly in equity	**(1,748)**	**(1,085)**
- Items related to exchange rate movements	(61)	1,354
- Changes in fair value of available-for-sale financial assets,including those reclassified as loans and receivables	(2,532)	(2,373)
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	277	(69)
- Changes in fair value of hedging instruments	640	33
- Changes in fair value of hedging instruments reported in net income	(15)	(28)
- Items related to equity-accounted companies	(57)	(2)
Total	**5,146**	**8,079**
- Attributable to equity shareholders	4,487	6,837
- Attributable to minority interests	659	1,242

BALANCE SHEET AT 31 DECEMBER 2011

In millions of euros	Notes	31 December 2011	31 December 2010
ASSETS			
Cash and amounts due from central banks and post office banks		58,382	33,568
Financial assets at fair value through profit or loss	5.a	820,463	832,945
Derivatives used for hedging purposes	5.b	9,700	5,440
Available-for-sale financial assets	5.c	192,468	219,958
Loans and receivables due from credit institutions	5.f	49,369	62,718
Loans and receivables due from customers	5.g	665,834	684,686
Remeasurement adjustment on interest-rate risk hedged portfolios		4,060	2,317
Held-to-maturity financial assets	5.j	10,576	13,773
Current and deferred tax assets	5.k	11,570	11,557
Accrued income and other assets	5.l	93,540	83,124
Policyholders' surplus reserve	5.p	1,247	-
Investments in associates	5.m	4,474	4,798
Investment property	5.n	11,444	12,327
Property, plant and equipment	5.n	18,278	17,125
Intangible assets	5.n	2,472	2,498
Goodwill	5.o	11,406	11,324
TOTAL ASSETS		**1,965,283**	**1,998,158**
LIABILITIES			
Due to central banks and post office banks		1,231	2,123
Financial liabilities at fair value through profit or loss	5.a	762,795	725,105
Derivatives used for hedging purposes	5.b	14,331	8,480
Due to credit institutions	5.f	149,154	167,985
Due to customers	5.g	546,284	580,913
Debt securities	5.i	157,786	208,669
Remeasurement adjustment on interest-rate risk hedged portfolios		356	301
Current and deferred tax liabilities	5.k	3,489	3,745
Accrued expenses and other liabilities	5.l	81,010	65,229
Technical reserves of insurance companies	5.p	133,058	114,918
Provisions for contingencies and charges	5.q	10,480	10,311
Subordinated debt	5.i	19,683	24,750
TOTAL LIABILITIES		**1,879,657**	**1,912,529**
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*70,714*	*66,620*
Net income for the period attributable to shareholders		*6,050*	*7,843*
Total capital, retained earnings and net income for the period attributable to shareholders		76,764	74,463
Change in assets and liabilities recognised directly in equity		(1,394)	169
Shareholders' equity		**75,370**	**74,632**
Retained earnings and net income for the period attributable to minority interests		10,737	11,293
Change in assets and liabilities recognised directly in equity		(481)	(296)
Total minority interests		**10,256**	**10,997**
Total consolidated equity		**85,626**	**85,629**
TOTAL LIABILITIES AND EQUITY		**1,965,283**	**1,998,158**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

In millions of euros	Notes	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Pre-tax net income		**9,651**	**13,020**
Non-monetary items included in pre-tax net income and other adjustments		**18,975**	**18,832**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,788	3,739
Impairment of goodwill and other non-current assets		135	136
Net addition to provisions		6,359	10,877
Share of earnings of associates		(80)	(269)
Net (income) / expense from investing activities		(246)	288
Net income from financing activities		(1,719)	(2,303)
Other movements		10,738	6,364
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**11,719**	**(34,550)**
Net decrease in cash related to transactions with credit institutions		(11,427)	(31,425)
Net decrease in cash related to transactions with customers		(68,092)	(34,964)
Net increase in cash related to transactions involving other financial assets and liabilities		96,551	37,530
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,970)	(2,557)
Taxes paid		(2,343)	(3,134)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**40,345**	**(2,698)**
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities	8.d	325	(4,940)
Net decrease related to property, plant and equipment and intangible assets		(1,938)	(1,790)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(1,613)**	**(6,730)**
Decrease in cash and equivalents related to transactions with shareholders		(3,910)	(759)
Decrease in cash and equivalents generated by other financing activities		(11,058)	(22,054)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(14,968)**	**(22,813)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**1,550**	**3,053**
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**25,314**	**(29,188)**
Balance of cash and equivalent accounts at the start of the period		**25,015**	**54,202**
Cash and amounts due from central banks and post office banks		33,568	56,076
Due to central banks and post office banks		(2,123)	(5,510)
Demand deposits with credit institutions	5.f	11,273	16,379
Demand loans from credit institutions	5.f	(17,464)	(12,380)
Deduction of receivables and accrued interest on cash and equivalents		(239)	(362)
Balance of cash and equivalent accounts at the end of the period		**50,329**	**25,015**
Cash and amounts due from central banks and post office banks		58,382	33,568
Due to central banks and post office banks		(1,231)	(2,123)
Demand deposits with credit institutions	5.f	12,099	11,273
Demand loans from credit institutions	5.f	(18,308)	(17,464)
Deduction of receivables and accrued interest on cash and equivalents		(613)	(239)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**25,314**	**(29,188)**

STATEMENT OF CHANGES IN SHAREHOLDERS'

	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
In millions of euros	Ordinary shares, non-voting shares and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2009	**25,188**	**8,045**	**35,093**	**68,326**	**8,730**	**2,330**	**11,060**
Appropriation of net income for 2009			**(1,776)**	**(1,776)**	**(359)**		**(359)**
Increases in capital and issues	624			624	132		132
Reduction in capital	(40)			(40)	(130)	(440)	(570)
Impact of redemption of non-voting shares	(72)			(72)			
Movements in own equity instruments	9	(16)	5	(2)		2	2
Share-based payment plans	7		(5)	2			
Remuneration on Preferred Shares and undated super subordinated notes			(310)	(310)	(146)		(146)
Impact of internal transactions impacting minority shareholders (note 8.c)			(23)	(23)	23		23
Change in consolidation method impacting minority shareholders					(223)		(223)
Acquisitions of additional interests or partial sales of interests (note 8.c)			(53)	(53)	(137)		(137)
Change in commitments to repurchase minority shareholders' interests			2	2	145		145
Other movements	(5)		(53)	(58)	90		90
Change in assets and liabilities recognised directly in equity							
Net income for 2010			**7,843**	**7,843**	**1,321**		**1,321**
Interim dividend payments					(45)		(45)
Capital and retained earnings at 31 December 2010	**25,711**	**8,029**	**40,723**	**74,463**	**9,401**	**1,892**	**11,293**
Appropriation of net income for 2010			**(2,521)**	**(2,521)**	**(462)**		**(462)**
Increases in capital and issues	396			396			
Reduction in capital						(500)	(500)
Impact of redemption of non-voting shares			114	114			
Movements in own equity instruments	(427)	(768)	91	(1,104)			
Share-based payment plans			65	65			
Remuneration on Preferred Shares and undated super subordinated			(295)	(295)	(117)		(117)
Impact of internal transactions impacting minority shareholders (note 8.c)			(80)	(80)	80		80
Change in consolidation method impacting minority shareholders			(8)	(8)	63		63
Acquisitions of additional interests or partial sales of interests (note 8.c)			(292)	(292)	(477)		(477)
Change in commitments to repurchase minority shareholders' interests			3	3	(16)		(16)
Other movements	(2)		(25)	(27)	65	3	68
Change in assets and liabilities recognised directly in equity							
Net income for 2011			**6,050**	**6,050**	**844**		**844**
Interim dividend payments					(39)		(39)
Capital and retained earnings at 31 December 2011	**25,678**	**7,261**	**43,825**	**76,764**	**9,342**	**1,395**	**10,737**

EQUITY BETWEEN 1 JAN. 2010 AND 31 DEC. 2011

Change in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale and reclassified loans and receivables	Derivatives used for hedging purposes	Total		
(1,559)	**2,161**	**573**	**1,175**	**(217)**	**80,344**
					(2,135)
					756
					(610)
					(72)
					2
					(456)
					(223)
					(190)
					147
					32
1,158	(2,175)	11	(1,006)	(79)	(1,085)
					9,164
					(45)
(401)	**(14)**	**584**	**169**	**(296)**	**85,629**
					(2,983)
					396
					(500)
					114
					(1,104)
					65
					(412)
					55
					(769)
					(13)
					41
(44)	(2,182)	663	(1,563)	(185)	(1,748)
					6,894
					(39)
(445)	**(2,196)**	**1,247**	**(1,394)**	**(481)**	**85,626**

NOTES TO THE FINANCIAL STATEMENTS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE BNP PARIBAS GROUP

1.a APPLICABLE ACCOUNTING STANDARDS

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

The introduction of other standards, which are mandatory as of 1 January 2011, had no effect on the 2011 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union whose application in 2011 was optional.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 "Financial Instruments: Disclosures" and to insurance contracts as required by IFRS 4 "Insurance Contracts", along with information on regulatory capital required by IAS 1 "Presentation of Financial Statements" is presented in Chapter 5 "Pillar 3" of the Annual Report. This information, which is an integral part of the notes to the BNP Paribas Group's consolidated financial statements, is covered by the opinion of the Statutory Auditors concerning the consolidated financial statements, and is identified in the Annual Report by the word "Audited".

1.b CONSOLIDATION

1.b.1 SCOPE OF CONSOLIDATION

The consolidated financial statements of BNP Paribas include all entities under the exclusive or joint control of the Group or over which the Group exercises significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. The consolidation of an entity is regarded as immaterial if its contribution to the consolidated financial statements is below the following three thresholds: EUR 15 million of consolidated Revenues, EUR 1 million of consolidated gross operating income or net income before tax, EUR 500 million of total consolidated assets[2]. 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.

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

2 These thresholds were updated on 1 January 2011. Prior to this date, the thresholds stood at EUR 8 million of consolidated revenues, EUR 1 million of, consolidated gross operating income or net income before tax and EUR 40 million for total consolidated assets.

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

the activities of the SPE are being conducted exclusively on behalf of the Group, such that the Group obtains benefits from those activities;

the Group has the decision-making and management powers to obtain the majority of the benefits of the ordinary activities of the SPE (for example, by the power to dissolve the SPE, to amend its bylaws, or to exercise a formal veto over amendments to its bylaws);

the Group has the ability to obtain the majority of the benefits of the SPE, and therefore may be exposed to risks incident to the activities of the SPE. These benefits may be in the form of rights to some or all of the SPE's earnings (calculated on an annual basis), to a share of its net assets, to benefit from one or more assets, or to receive the majority of the residual assets in the event of liquidation;

the Group retains the majority of the risks taken by the SPE in order to obtain benefits from its activities. This would apply, for example, if the Group remains exposed to the initial losses on a portfolio of assets held by the SPE.

1.b.2 CONSOLIDATION METHODS

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

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

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

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

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

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

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

Transactions resulting in a loss of control completed prior to 1 January 2010 give rise to the recognition of a gain or loss equal to the difference between the sale price and the Group's share in the underlying equity. For transactions completed after 1 January 2010, the revised IAS 27 now requires any equity interest retained by the Group to be remeasured at its fair value through profit or loss.

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

1.b.3 CONSOLIDATION PROCEDURES

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

- Elimination of intragroup balances and transactions

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

- Translation of financial statements expressed in foreign currencies

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

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

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

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

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, significant influence or joint control), the cumulative translation adjustment recorded in equity at the date of the liquidation or sale is recognised in the profit and loss account.

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

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- Business combinations

Business combinations are accounted for using the purchase method.

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

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

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

Any contingent consideration is included in the consideration transferred at its acquisition-date fair value as soon as control is obtained. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

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

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

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

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

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

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

- Measurement of goodwill

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

- Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units[3] 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

[3] As defined by IAS 36.

is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit and its value in use.

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

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

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

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

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

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

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

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

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

for the loan phase: statistically probable loans outstanding and actual loans outstanding;

for the savings phase: the difference between statistically probable outstandings and minimum expected outstandings, with minimum expected outstandings being deemed equivalent to unconditional term deposits.

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

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

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

1.c.3 SECURITIES

- Categories of securities

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

- Financial assets at fair value through profit or loss

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

- financial assets held for trading purposes;
- financial assets that the Group has designed, on initial recognition, at fair value through profit or loss using the fair value option available under IAS 39. The conditions for applying the fair value option are set out in section 1.c.10.

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

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

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

- Loans and receivables

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

- Held-to-maturity financial assets

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

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

- Available-for-sale financial assets

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

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

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

- Repurchase agreements and securities lending/borrowing

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

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

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

- Date of recognition for securities transactions

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

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

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

- Monetary assets and liabilities[4] expressed in foreign currencies

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

- Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.c.5 IMPAIRMENT OF FINANCIAL ASSETS

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

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

At an individual level, objective evidence that a financial asset is impaired includes observable data regarding the following events:

the existence of accounts that are more than three months past due (six months past due for real estate loans and loans to local authorities);

knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;

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

concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty.

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

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

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

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

- Impairment of available-for-sale financial assets

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

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

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

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

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

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

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

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

For a non-derivative financial asset which is no longer held for the purposes of selling it in the near-term, out of “Financial assets at fair value through profit or loss” and into:

- “Loans and receivables” if the asset meets the definition for this category and the Group has the intention and ability to hold the asset for the foreseeable future or until maturity; or
- Other categories only under rare circumstances when justified and provided that the reclassified assets meet the conditions applicable to the host portfolio.

Out of “Available-for-sale financial assets” and into:

- “Loans and receivables” with the same conditions as set out above for "Financial assets at fair value through profit or loss;
- “Held-to-maturity financial assets,” for assets that have a maturity, or “Financial assets at cost,” for unlisted variable-income assets.

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

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

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

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

1.c.7 ISSUES OF DEBT SECURITIES

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

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

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

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

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas SA) or by its fully consolidated subsidiaries.

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

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

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

as equity instruments if they are settled by physical delivery of a fixed number of own equity instruments for a fixed amount of cash or other financial asset. Such instruments are not revalued;

as derivatives if they are settled in cash, or by choice, depending on whether they are settled by physical delivery of the shares or in cash. Changes in value of such instruments are taken to the profit and loss account.

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

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

- Derivatives held for trading purposes

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

- Derivatives and hedge accounting

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

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

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

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

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

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

the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);

the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlyings;

the hedging instruments used consist exclusively of “plain vanilla” swaps;

prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlyings. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlyings specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

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

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

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

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

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

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

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

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

- Embedded derivatives

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

1.c.10 DETERMINATION OF FAIR VALUE

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

Fair value is determined:

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

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

- Use of quoted prices in an active market

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

- Use of models to value unquoted financial instruments

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

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

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

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

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

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

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

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

The margin generated when these complex financial instruments are traded (day one profit) is deferred and taken to the profit and loss account over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the profit and loss account.

Lastly, the fair value of unlisted equity securities is measured in comparison with recent transactions in the equity of the company in question carried out with an independent third party on an arm's length basis. If no such points of reference are available, the valuation is determined either on the basis of generally accepted practices (EBIT or EBITDA multiples) or of the Group's share of net assets calculated using the most recent information available.

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

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

This option allows entities to designate any financial asset or financial liability on initial recognition measured at fair value, with changes in fair value recognised in profit or loss, in the following cases:

hybrid financial instruments containing one or more embedded derivatives which otherwise would have been separated and accounted for separately;

where using the option enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would arise if they were to be classified in separate categories;

when a group of financial assets and/or financial liabilities is managed and measured on the basis of fair value, in accordance with a documented risk management and investment strategy.

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

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

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

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

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

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

1.c.13 COST OF RISK

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

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

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

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

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

1.d ACCOUNTING STANDARDS SPECIFIC TO INSURANCE BUSINESS

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group's assets and liabilities generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.d.1 ASSETS

Financial assets and non-current assets are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss", and are stated at the realisable value of the underlying assets at the balance sheet date.

1.d.2 LIABILITIES

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

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

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

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

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

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

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, the bulk of this reserve is reclassified to "Policyholders' surplus" on the liabilities side of the consolidated balance sheet; a deferred tax liability is recognised on the portion taken to shareholders' equity.

This item also includes the policyholders' surplus reserve resulting from the application of shadow accounting. This represents the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under "Income from other activities" and "Expenses on other activities".

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

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets shown in the consolidated balance sheet comprise on assets used in operations and investment property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.f LEASES

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

1.f.1 LESSOR ACCOUNTING

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

- Finance leases

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

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

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

- Operating leases

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

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

1.f.2 LESSEE ACCOUNTING

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

- Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of its fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease. A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets, after deducting the residual value from the amount initially recognised, over the useful life of the asset. The lease obligation is accounted for at amortised cost.

- Operating leases

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

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

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

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

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

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

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;

long-term benefits, including compensated absences, long-service awards, and other types of cash-based deferred compensation;

termination benefits;

post-employment benefits, including top-up banking industry pensions in France and pension plans in other countries, some of which are operated through pension funds.

- Short-term benefits

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

- Long-term benefits

These are benefits, other than post-employment benefits and termination benefits, which are not settled fully within 12 months after the employees render the related service. This relates, in particular, to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it is earned.

The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that actuarial gains and losses are recognised immediately as is the effect of any plan amendments.

- Termination benefits

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

- Post-employment benefits

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

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

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

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

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

The amount of the obligation recognised as a liability is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This method takes into account various parameters, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation.

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

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

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

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

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

1.i SHARE-BASED PAYMENT

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

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

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

- Stock option and share award plans

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

Stock options and share award expenses are recorded under salaries and employee benefits' account, with the credit entry is posted to shareholders' equity. They are calculated on the basis of the overall plan value, determined at the date of grant by the Board of Directors.

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

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

- Share price-linked cash-settled deferred compensation plans

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

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

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

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

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

taxable temporary differences on initial recognition of goodwill;

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

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

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

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

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, excepted for deferred taxes relating to unrealised gains or losses on available-for-sale assets or to changes in the fair value of instruments designated as cash flow hedges, which are taken to shareholders' equity.

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

1.l CASH FLOW STATEMENT

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

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

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

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

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

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

This applies in particular to:

impairment losses recognised to cover credit risks inherent in banking intermediation activities;

the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;

calculations of the fair value of unquoted financial instruments classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss", and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;

whether a market is active or inactive for the purposes of using a valuation technique;

impairment losses on variable-income financial assets classified as "available-for-sale";

impairment tests performed on intangible assets;

the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;

estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;

the measurement of provisions for contingencies and charges.

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

2. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

2.a NET INTEREST INCOME

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

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

In millions of euros	Year to 31 Dec. 2011			Year to 31 Dec. 2010		
	Income	Expense	Net	Income	Expense	Net
Customer items	**29,146**	**(8,740)**	**20,406**	**28,933**	**(8,515)**	**20,418**
Deposits, loans and borrowings	27,424	(8,388)	19,036	26,900	(8,044)	18,856
Repurchase agreements	61	(203)	(142)	145	(209)	(64)
Finance leases	1,661	(149)	1,512	1,888	(262)	1,626
Interbank items	**2,102**	**(2,621)**	**(519)**	**2,855**	**(3,499)**	**(644)**
Deposits, loans and borrowings	1,905	(2,274)	(369)	2,634	(2,973)	(339)
Repurchase agreements	197	(347)	(150)	221	(526)	(305)
Debt securities issued	**-**	**(4,025)**	**(4,025)**	**-**	**(3,320)**	**(3,320)**
Cash flow hedge instruments	**2,903**	**(2,535)**	**368**	**3,251**	**(2,909)**	**342**
Interest rate portfolio hedge instruments	**1,519**	**(2,712)**	**(1,193)**	**1,299**	**(2,822)**	**(1,523)**
Trading book	**4,518**	**(2,510)**	**2,008**	**4,080**	**(2,263)**	**1,817**
Fixed-income securities	2,435	-	2,435	2,586	-	2,586
Repurchase agreements	1,726	(1,776)	(50)	1,081	(1,210)	(129)
Loans / Borrowings	357	(528)	(171)	413	(539)	(126)
Debt securities	-	(206)	(206)	-	(514)	(514)
Available-for-sale financial assets	**6,268**	**-**	**6,268**	**6,258**	**-**	**6,258**
Held-to-maturity financial assets	**668**	**-**	**668**	**712**	**-**	**712**
Total interest income/(expense)	**47,124**	**(23,143)**	**23,981**	**47,388**	**(23,328)**	**24,060**

Interest income on individually impaired loans amounted to EUR 554 million in the year ended 31 December 2011 compared with EUR 572 million in the year ended 31 December 2010.

2.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments, which are not measured at fair value through profit or loss amounted to EUR 3,583 million and EUR 596 million respectively in 2011, compared with income of EUR 3,438 million and expense of EUR 554 million in 2010.

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 2,454 million in 2011, compared with EUR 2,451 million in 2010.

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

Net gain/loss on financial instruments at fair value through profit or loss includes all profit and loss items relating to financial instruments managed in the trading book and financial instruments (including dividends) that the Group has designated as at fair value through profit or loss under the fair value option, other than interest income and expense which are recognised in "Net interest income" (note 2.a).

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Trading book	**952**	**3,670**
Debt instruments	(297)	1,657
Equity instruments	455	1,303
Other derivatives	806	734
Repurchase agreements	(12)	(24)
Financial instruments designated at fair value through profit or loss	**2,891**	**524**
Of which debt remeasurement effect arising from BNPP group issuer risk	*1,190*	*95*
Impact of hedge accounting	**(117)**	**27**
Fair value hedges	(1,989)	(322)
Hedged items in fair value hedge	1,872	349
Remeasurement of currency positions	**7**	**888**
Total	**3,733**	**5,109**

Net gains on the trading book in 2011 and 2010 include a non-material amount related to the ineffective portion of cash flow hedges.

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

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Loans and receivables, fixed-income securities (1)	**(408)**	**372**
Disposal gains and losses	(408)	372
Equities and other variable-income securities	**688**	**80**
Dividend income	453	430
Additions to impairment provisions	(731)	(730)
Net disposal gains	966	380
Total	**280**	**452**

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

Unrealised gains and losses, after the impact of insurance-related surplus allocated reserves, previously recorded under "Change in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amounted to a net gain of EUR 742 million for the year ended 31 December 2011 compared with a net gain of EUR 91 million for the year ended 31 December 2010.

The adjustment of impairment criteria for variable-income securities presented in note 1.c.5, under which an unrealised loss must be observed for two years instead of five years, resulted in an additional impairment charge of EUR 7 million after the impact of insurance-related surplus allocated reserves.

Application of impairment criteria based on the sharp fall in the share price or over the duration therefore represents an impairment charge of EUR 67 million for 2011, with EUR 44 million under the first criterion and EUR 23 under the second criterion.

2.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2011			Year to 31 Dec. 2010		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	18,204	(14,559)	3,645	21,497	(18,088)	3,409
Net income from investment property	1,301	(500)	801	1,577	(787)	790
Net income from assets held under operating leases	5,627	(4,567)	1,060	5,133	(3,971)	1,162
Net income from property development activities	216	(41)	175	191	(48)	143
Other income and expense	1,488	(1,198)	290	1,987	(1,718)	269
Total net income from other activities	**26,836**	**(20,865)**	**5,971**	**30,385**	**(24,612)**	**5,773**

- Net income from insurance activities

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Gross premiums written	16,288	18,691
Movement in technical reserves	1,572	(7,608)
Claims and benefits expense	(12,484)	(8,996)
Reinsurance ceded, net	(361)	(292)
Change in value of admissible investments related to unit-linked business	(1,597)	1,412
Other income and expense	227	202
Total net income from insurance activities	**3,645**	**3,409**

"Claims and benefits expense" includes expenses arising from surrenders, maturities and claims relating to insurance contracts. "Movement in technical reserves" reflects changes in the value of financial contracts, in particular unit-linked contracts. Interest paid on such contracts is recognised in "Interest expense".

2.f COST OF RISK

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

- Cost of risk for the period

Cost of risk for the period

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Net additions to impairment provisions	(6,751)	(4,594)
of which losses on Greek sovereign debt (1)	*(3,241)*	-
Recoveries on loans and receivables previously written off	514	393
Irrecoverable loans and receivables not covered by impairment provisions	(560)	(601)
Total cost of risk for the period	**(6,797)**	**(4,802)**

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Loans and receivables due from credit institutions	47	105
Loans and receivables due from customers (1)	(6,085)	(4,921)
Available-for-sale financial assets (1)	(569)	131
Held to maturity	(22)	-
Financial instruments on trading activities	(132)	(167)
Other assets	4	70
Off-balance sheet commitments and other items	(40)	(20)
Total cost of risk for the period	**(6,797)**	**(4,802)**

(1) The provisioning charge relating to Greek sovereign debt results from the release to income of the change in value of securities recognised in equity on the date these securities were reclassified as loans and receivables (see note 4), i.e. EUR 1,296 million, and from additional provisioning assuming a 75% loss.

- Provisions for impairment: credit risks

Movement in impairment provisions during the period

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Total impairment provisions at start of period	**29,783**	**28,800**
Net additions to impairment provisions	6,005	4,594
Of which losses on Greek sovereign debt	*2,395*	-
Utilisation of impairment provisions	(3,935)	(3,254)
Effect of exchange rate movements and other items	(1,178)	(357)
Total impairment provisions at end of period	**30,675**	**29,783**

- Impairment provision by asset type

In millions of euros	31 December 2011	31 December 2010
Impairment of assets		
Loans and receivables due from credit institutions (note 5.f)	707	994
Loans and receivables due from customers (note 5.g)	27,958	26,671
Financial instruments on trading activities	598	528
Available-for-sale financial assets (note 5.c)	162	454
Held-to-maturity financial assets	223	-
Other assets	36	41
Total impairment provisions against financial assets	**29,684**	**28,688**
of which specific provisions	*24,184*	*22,782*
of which collective provisions	*4,866*	*5,337*
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
- to credit institutions	23	6
- to customers	478	600
Other items subject to provisions	490	489
Total provisions recognised as liabilities	**991**	**1,095**
of which specific provisions	*368*	*448*
of which collective provisions	*133*	*158*
Total impairment provisions	**30,675**	**29,783**

2.g CORPORATE INCOME TAX

Reconciliation of income tax expense to theoretical tax expense at standard tax rate in France (1)	Year to 31 Dec. 2011		Year to 31 Dec. 2010	
	in millions of euros	Tax rate	in millions of euros	Tax rate
Corporate income at standard tax rate expense in France (2)	**(3,493)**	**36.1%**	**(4,418)**	**34.4%**
Differential effect in tax rates applicable to foreign entities	187	-1.9%	286	-2.2%
Effect of dividends and asset disposals taxed at reduced rate	169	-1.7%	3	-
Tax effect linked to the capitalisation of tax loss carryforwards and prior temporary differences	244	-2.5%	80	-0.6%
Tax effect of using prior tax losses not capitalised	29	-0.3%	60	-0.5%
Other items	107	-1.2%	133	-1.0%
Corporate income tax expense	**(2,757)**	**28.5%**	**(3,856)**	**30.1%**
Of which				
Current tax expense for the year to 31 December	(2,070)		(2,284)	
Deferred tax expense for the year to 31 December (note 5.k)	(687)		(1,572)	

(1) including 3.3% social security contribution tax and the exceptional 5% contribution calculated on French corporate tax at 33.33%, lifting it to 36.10% in 2011.

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

3. SEGMENT INFORMATION

The Group is composed of three core businesses:

Retail Banking, which covers French retail banking (FRB), Italian Retail Banking (BNL banca commerciale) as well as the personal and business retail banking entity in Belgium and Luxembourg (Belux Retail Banking). It also includes retail financial services, which is split into two sub-divisions: Personal Finance providing credit solutions to private individuals and Equipment Solutions providing credit and other services to corporates. It also includes retail banking activities in the United States (BancWest) and in emerging markets;

Investment Solutions (IS), which includes Private Banking; Investment Partners – covering all of the Group's Asset Management businesses; Personal Investors – providing private individuals with independent financial advice and investment services; Securities Services to management companies, financial institutions and other corporations; and Insurance and Real Estate Services;

Corporate and Investment Banking (CIB), which includes Advisory & Capital Markets (Equities and Equity Derivatives, Fixed Income & Forex, Corporate Finance) and Financing (Specialised and Structured Financing) businesses.

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

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

As part of the application of the new consolidation thresholds, several units were deconsolidated or were accounted for using a different method of consolidation in 2011. To facilitate analysis of the business segments' performance, results for 2010 were restated as if these consolidation thresholds had changed on 1 January 2010. The corresponding differences were accounted for under "Other Activities" so as not to affect the Group's overall results.

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

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

- Information by business segment

Income by business segment

In millions of euros	Year to 31 Dec. 2011						Year to 31 Dec. 2010					
	Revenues	Operating expense	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expense	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking												
French retail Banking [1]	**6,717**	(4,462)	(315)	**1,940**	2	**1,942**	**6,600**	(4,406)	(481)	**1,713**	3	**1,716**
BNL banca commerciale [1]	**3,101**	(1,806)	(793)	**502**	-	**502**	**3,026**	(1,776)	(817)	**433**	(1)	**432**
BeLux Retail Banking [1]	**3,409**	(2,433)	(169)	**807**	12	**819**	**3,261**	(2,354)	(222)	**685**	4	**689**
Personal Finance	**5,092**	(2,420)	(1,639)	**1,033**	160	**1,193**	**5,021**	(2,311)	(1,913)	**797**	94	**891**
Other Retail Banking activities	**5,344**	(3,350)	(649)	**1,345**	86	**1,431**	**5,431**	(3,336)	(1,066)	**1,029**	27	**1,056**
Investment Solutions	**6,265**	(4,554)	(64)	**1,647**	(74)	**1,573**	**6,096**	(4,297)	21	**1,820**	162	**1,982**
Corporate and Investment Banking												
Advisory & Capital Markets	**5,598**	(4,377)	21	**1,242**	30	**1,272**	**7,641**	(4,770)	(302)	**2,569**	45	**2,614**
Financing	**4,133**	(1,749)	(96)	**2,288**	50	**2,338**	**4,495**	(1,730)	(48)	**2,717**	49	**2,766**
Other Activities	**2,725**	(965)	(3,093)	**(1,333)**	(86)	**(1,419)**	**2,309**	(1,537)	26	**798**	76	**874**
Total Group	**42,384**	**(26,116)**	**(6,797)**	**9,471**	**180**	**9,651**	**43,880**	**(26,517)**	**(4,802)**	**12,561**	**459**	**13,020**

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

Assets and liabilities by business segment

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

In millions of euros	31 December 2011		31 December 2010	
	Assets	Liabilities	Assets	Liabilities
Retail Banking				
French retail Banking	154,537	148,331	155,770	149,999
BNL banca commerciale	86,662	79,984	88,464	81,957
BeLux Retail Banking	103,795	100,655	98,318	95,590
Personal Finance	91,561	85,410	91,888	85,600
Other activities Retail Banking	132,971	120,426	131,372	118,740
Investment Solution	**212,807**	**200,849**	**227,962**	**219,366**
Corporate and Investment Banking	**1,050,883**	**1,039,095**	**1,083,280**	**1,069,487**
Other Activities	**132,067**	**190,533**	**121,104**	**177,419**
Total Group	**1,965,283**	**1,965,283**	**1,998,158**	**1,998,158**

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

- Information by geographic area

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

Revenues by geographic area

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
France	16,773	15,300
Belgium	4,702	5,241
Italy	3,857	4,733
Luxembourg	1,478	1,555
Other European Countries excluding domestics	7,130	7,741
Americas	4,977	5,664
Asia - Oceania	1,998	2,036
Other countries	1,469	1,610
Total	**42,384**	**43,880**

Assets and liabilities by geographic area

In millions of euros	31 December 2011	31 December 2010
France	972,274	959,561
Belgium	252,086	256,063
Italy	136,392	141,746
Luxembourg	36,829	34,197
Other European Countries excluding domestics	244,747	245,212
Americas	201,184	206,693
Asia - Oceania	90,198	123,075
Other countries	31,573	31,611
Total	**1,965,283**	**1,998,158**

4. EXPOSURE TO SOVEREIGN RISK

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

These portfolios are presented in the chapter of the Annual Report dealing with Pillar 3.

- Special circumstances concerning sovereign credit risk in Greece, Ireland and Portugal, which have received support under a European plan

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

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

In May 2010, the euro zone governments and the IMF undertook to provide Greece with a EUR 110 billion support plan in exchange for a commitment to reduce its budget deficit. During the first half of 2011, the European authorities restated their support for Greece and talks were held to put in place a second plan including participation by private investors. On 21 July 2011, representatives from the 17 euro zone member states drew up a second assistance plan for Greece worth close to EUR 160 billion overall. This plan was confirmed in a meeting of the same representatives on 26 October 2011, subject to Greece reaching an agreement with representatives of private-sector creditors under which those creditors would waive 50% of the nominal value of Greek government securities they hold, in return for the reimbursement of around 15% of securities held in a form to be determined, along with the issue of new securities to be exchanged for existing securities and representing 35% of their nominal value. This agreement was defined and supplemented on 21 February 2012 after talks between representatives of the Greek government, private-sector investors and the Eurogroup.

The support plan for Ireland, which was adopted in November 2010, provided for EUR 85 billion in public support, while the plan for Portugal adopted in May 2011 provided for EUR 78 billion in public support.

Each of these plans is accompanied by measures to bring about hefty reductions in the public deficits.

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

1. *Reclassification of securities at 30 June 2011*

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

The standstill in the primary market, the increasingly thin trading volumes in the secondary market, their small size and the widening in bid/offer spreads reflect investors' risk aversion to these three countries and the near disappearance of the market. Illustrating this, the monthly transaction volumes in Greek sovereign debt instruments accounted during the first half of 2011 for just 2% of the monthly average recorded over the past ten years. The implied yield curve on the public debt of these countries is currently inverted–with short-term rates significantly higher than long-term rates–confirming the dislocation of the market. The implied losses that the very high level of short-term rates suggests do not reflect the expected results of the support plans implemented to give these countries the ability to get their public finances back in shape and honour their commitments.

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

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

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

2. *Measurement of securities at 31 December 2011*

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

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

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

The main characteristics of the Greek exchange offer are as follows:

- For each bond held by the private sector, 53.5% of the principal will be waived, 31.5% will be exchanged for 20 bonds issued by Greece with maturities of between 11 and 30 years, and 15% will be redeemed immediately in the form of short-term securities issued by the European Financial Stability Facility (EFSF), repayment of which will be guaranteed by the EUR 30 billion public-sector contribution.

- The coupon on new bonds will be 2% from 2012 to 2015, rising to 3% from 2015 to 2020 and 4.3% until 2042.

- Accrued interest on the exchanged Greek debt, up to the date of the exchange, will be settled through the issue of short-term EFSF securities.

- Each new bond issued by Greece will be accompanied by a security linked to movements in Greece's gross domestic product over and above those expected in the plan.

On the basis of these conditions, the bank values the present value of securities to be received at around 25% based on a discounted cash flow rate of 12%. The final value of the securities will be determined on the basis of the final offer terms and market conditions on the date of the exchange.

As a result, the bank has written down its Greek bonds by 75%, and the loss with respect to 2011 amounts to EUR 3,241 million, included in the cost of risk (see note 2.f).

Securities issued by Portugal and Ireland, held by the Group and reclassified under “Loans and Receivables” have been measured at market value for the purposes of notes 5.e and 8.h. Securities issued by Portugal and Ireland and included in the trading portfolio have also been measured at market value, and are classified as level 2 instruments given the lack of market liquidity, in accordance with the definitions provided in note 5.d.

- BNP Paribas group’s exposure to Greek, Irish and Portuguese sovereign credit risk, the three euro zone countries covered by a European support plan

The following tables show the Group’s exposure at 31 December 2011 to these three sovereign states’ credit risk in the form of securities and credit derivatives, after the impairment recognised on Greek securities.

The amounts shown in the “Loans and receivables” category derive from the reclassification at 30 June 2011 of securities previously shown under “Available-for-sale financial assets”.

a) Portfolio of banking activities, broken down by residual term to maturity

In millions of euros		Remaining time to maturity							
		1 year	2 years	3 years	5 years	10 years	15 years	>15 years	Total 31 December 2011
Greece									
	Loans and receivables								
	Risk exposure and carrying value after impairment	53	36	105	71	344	312	51	**972**
Ireland									
	Loans and receivables								
	Risk exposure			3	20	247			**270**
	Carrying value			3	16	197			**216**
Portugal									
	Loans and receivables								
	Risk exposure	195	157	256	232	451		90	**1,381**
	Carrying value	190	136	221	191	329		92	**1,159**

b) Portfolio of general insurance funds broken down by residual term to maturity

In millions of euros		Remaining time to maturity							
		1 year	2 years	3 years	5 years	10 years	15 years	>15 years	Total 31 December 2011
Greece									
	Loans and receivables and Held-to-maturity financial assets								
	Risk exposure and carrying value after impairment	7	40	24	25	4	94	94	**288**
Ireland									
	Loans and receivables								
	Risk exposure			2		550	209		**761**
	Carrying value			2		423	157		**582**
	Held-to-maturity financial assets								
	Risk exposure and carrying value		9		181	135			**325**
Portugal									
	Loans and receivables								
	Risk exposure	2	36	174	31	684	145		**1,072**
	Carrying value	2	33	151	31	480	99		**796**
	Held-to-maturity financial assets								
	Risk exposure and carrying value			60	99				**159**

The impairment of Greek debt securities held in general insurance funds produces an impact net of the policyholders' surplus reserve in the Group's profit or loss statement.

c) Trading book positions

In millions of euros	Securities			Derivatives	Total net position at 31 December 2011
	Long positions	Short positions	Net position	Net position	
Greece	86	(8)	78	13	91
Ireland	59	(69)	(10)	37	27
Portugal	306	(321)	(15)	62	47
Total	**451**	**(398)**	**53**	**112**	**165**

- Disposals of Held-to-maturity securities in 2011

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

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

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

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

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

5. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2011

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

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

In millions of euros	31 December 2011			31 December 2010		
	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	**48,434**	**109**	**48,543**	**51,612**	**147**	**51,759**
Treasury bills and other bills eligible for central bank refinancing	41,806	3	41,809	39,260	-	39,260
Other negotiable certificates of deposit	6,628	106	6,734	12,352	147	12,499
Bonds	**83,735**	**5,986**	**89,721**	**102,454**	**6,985**	**109,439**
Government bonds	54,390	481	54,871	69,704	489	70,193
Other bonds	29,345	5,505	34,850	32,750	6,496	39,246
Equities and other variable-income securities	**25,455**	**50,929**	**76,384**	**68,281**	**42,901**	**111,182**
Repurchase agreements	**153,262**	**-**	**153,262**	**210,904**	**47**	**210,951**
Loans	**537**	**49**	**586**	**725**	**1,106**	**1,831**
Trading book derivatives	**451,967**	**-**	**451,967**	**347,783**	**-**	**347,783**
Currency derivatives	28,097		28,097	31,017		31,017
Interest rate derivatives	332,945		332,945	239,985		239,985
Equity derivatives	38,140		38,140	39,397		39,397
Credit derivatives	46,460		46,460	30,349		30,349
Other derivatives	6,325		6,325	7,035		7,035
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**763,390**	**57,073**	**820,463**	**781,759**	**51,186**	**832,945**
of which loaned securities	*48,429*		*48,429*	*30,565*		*30,565*
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling	**100,013**	**-**	**100,013**	**102,060**	**-**	**102,060**
Repurchase agreements	**171,376**	**-**	**171,376**	**223,362**	**-**	**223,362**
Borrowings	**1,895**	**1,664**	**3,559**	**1,170**	**2,178**	**3,348**
Debt securities (note 5.i)	**-**	**37,987**	**37,987**	**-**	**47,735**	**47,735**
Subordinated debt (note 5.i)	**-**	**2,393**	**2,393**	**-**	**3,108**	**3,108**
Trading book derivatives	**447,467**	**-**	**447,467**	**345,492**	**-**	**345,492**
Currency derivatives	26,890		26,890	30,234		30,234
Interest rate derivatives	330,421		330,421	236,416		236,416
Equity derivatives	36,377		36,377	40,927		40,927
Credit derivatives	46,358		46,358	30,263		30,263
Other derivatives	7,421		7,421	7,652		7,652
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**720,751**	**42,044**	**762,795**	**672,084**	**53,021**	**725,105**

FINANCIAL INSTRUMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

Admissible investments related to unit-linked insurance business include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and Euro Medium Term Notes (EMTNs) not eliminated upon consolidation amounted to EUR 940 million at 31 December 2011 compared with EUR 634 million at 31 December 2010 and variable-rate securities (shares mainly issued by BNP Paribas SA) came to EUR 14.5 million at 31 December 2011 compared with EUR 19 million at 31 December 2010. Eliminating these securities would not have a material impact on the financial statements for the period.

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

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

The redemption value of financial liabilities designated at fair value through profit or loss at 31 December 2011 was EUR 49,748 million (EUR 58,356 million at 31 December 2010).

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

As a result, the carrying value of liabilities measured at market or model value is reduced by EUR 1,647 million (EUR 457 million at 31 December 2010). This reduction in value represents an unrealised gain that will only be realised if these financial instruments issued by the Bank are bought back in the market. If this does not happen, income relating to this unrealised gain will be written back over the remaining term of the liabilities at a pace determined by movements in the bank's issuer risk.

DERIVATIVE FINANCIAL INSTRUMENTS HELD FOR TRADING

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

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

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

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

In millions of euros	31 December 2011	31 December 2010
Trading book derivatives	**46,817,864**	**44,200,645**
Currency derivatives	2,249,390	2,019,347
Interest rate derivatives	40,272,463	37,904,560
Equity derivatives	1,818,445	1,703,970
Credit derivatives	2,321,275	2,370,101
Other derivatives	156,291	202,667

Derivatives traded on organised markets represented 48% of the Group's derivative transactions at 31 December 2011 (45% at 31 December 2010).

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 2011		31 December 2010	
	Negative fair value	Positive fair value	Negative fair value	Positive fair value
FAIR VALUE HEDGES	**12,902**	**6,920**	**7,736**	**3,788**
Currency derivatives	8	4	1	1
Interest rate derivatives	12,879	6,810	7,681	3,787
Other derivatives	15	106	54	-
CASH FLOW HEDGES	**1,416**	**2,743**	**740**	**1,647**
Currency derivatives	245	312	137	62
Interest rate derivatives	825	2,408	360	1,422
Other derivatives	346	23	243	163
NET FOREIGN INVESTMENT HEDGES	**13**	**37**	**4**	**5**
Currency derivatives	13	37	4	5
DERIVATIVES USED FOR HEDGING PURPOSES	**14,331**	**9,700**	**8,480**	**5,440**

The total notional amount of derivatives used for hedging purposes stood at EUR 799,608 million at 31 December 2011, compared with EUR 577,464 million at 31 December 2010.

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

5.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

In millions of euros	31 December 2011			31 December 2010		
	Net	of which impairment losses	of which changes in value taken directly to equity	Net	of which impairment losses	of which changes in value taken directly to equity
Fixed-income securities	**174,989**	**(162)**	**(5,120)**	**202,561**	**(454)**	**(2,554)**
Treasury bills and other bills eligible for central bank refinancing	17,241	(22)	(2,322)	25,289	(21)	(1,138)
Other negociable certificates of deposit	11,145	*(11)*	*(254)*	7,154	*(12)*	*(199)*
Government bonds	96,302	(3)	(1,761)	123,907	(21)	(1,575)
Other bonds	50,301	(126)	(783)	46,211	(400)	358
Equities and other variable-income securities	**17,479**	**(5,067)**	**1,621**	**17,397**	**(3,261)**	**2,953**
of which listed securities	*6,092*	*(2,052)*	*619*	*9,104*	*(1,961)*	*1,921*
of which unlisted securities	*11,387*	*(3,015)*	*1,002*	*8,293*	*(1,300)*	*1,032*
Total available-for-sale financial assets, before impairment provisions	**192,468**	**(5,229)**	**(3,499)**	**219,958**	**(3,715)**	**399**
of which loaned securities	3	-	-	433	-	(1)

Changes in value taken directly to equity (EUR 3,499 million at 31 December 2011) are included in equity after the recognition of deferred tax relating to these changes (EUR 1,669 million at 31 December 2011 for the Group's share and the share of minority interests).

5.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

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

- **Level 1** – Financial instruments with quoted market prices:

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

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

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

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

This level notably includes illiquid shares with low liquidity and bonds, particularly those of certain sovereign issuers, 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 based neither on observable transaction prices in the identical instrument at the measurement date nor observable market data available at the same date.

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

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

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

In millions of euros	31 December 2011				31 December 2010			
	level 1	level 2	level 3	TOTAL	level 1	level 2	level 3	TOTAL
FINANCIAL ASSETS								
Financial instruments at fair value through profit or loss held for trading (note 5.a)	102,953	638,973	21,464	**763,390**	179,814	579,064	22,881	**781,759**
Financial instruments designated as at fair value through profit or loss (note 5.a)	41,982	13,496	1,595	**57,073**	37,356	12,127	1,703	**51,186**
Derivatives used for hedging purposes (note 5.b)	-	9,700	-	**9,700**	-	5,440	-	**5,440**
Available-for-sale financial assets (note 5.c.)	132,676	49,921	9,871	**192,468**	163,368	48,436	8,154	**219,958**
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss held for trading (note 5.a)	108,934	585,529	26,288	**720,751**	116,858	529,818	25,408	**672,084**
Financial instruments designated as at fair value through profit or loss (note 5.a)	3,168	31,260	7,616	**42,044**	5,588	38,696	8,737	**53,021**
Derivatives used for hedging purposes (note 5.b)	-	14,331	-	**14,331**	-	8,480	-	**8,480**

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

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

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit	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	TOTAL
at 31 December 2009	**25,618**	**1,830**	**7,293**	**34,741**	**(28,331)**	**(10,573)**	**(38,904)**
- purchases	5,091	463	1,511	**7,065**	-	-	**-**
- issues	-	-	-	**-**	(9,206)	(3,957)	**(13,163)**
- sales	(979)	(139)	(1,066)	**(2,184)**	-	-	**-**
- settlements (1)	819	(240)	30	**609**	2,106	5,555	**7,661**
Transfers to level 3	2,436	39	1,688	**4,163**	(312)	(56)	**(368)**
Transfers from level 3	(5,716)	(361)	(1,866)	**(7,943)**	5,553	787	**6,340**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(8,496)	23	(11)	**(8,484)**	8,945	38	**8,983**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	3,469	88	(86)	**3,471**	(3,461)	(531)	**(3,992)**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	639	-	55	**694**	(702)	-	**(702)**
- Changes in fair value of assets and liabilities recognised in equity	-	-	606	**606**	-	-	**-**
at 31 December 2010	**22,881**	**1,703**	**8,154**	**32,738**	**(25,408)**	**(8,737)**	**(34,145)**
- purchases	2,652	33	1,328	**4,013**	-	-	**-**
- issues	-	-	-	**-**	(9,464)	(3,127)	**(12,591)**
- sales	(274)	-	(1,427)	**(1,701)**	-	-	**-**
- settlements (1)	(5,327)	(151)	(961)	**(6,439)**	8,923	3,150	**12,073**
Transfers to level 3	3,157	23	9,005	**12,185**	(2,817)	(338)	**(3,155)**
Transfers from level 3	(2,598)	-	(267)	**(2,865)**	2,778	1,455	**4,233**
Reclassifications (2)	-	-	(6,312)	**(6,312)**	-	-	**-**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(3,568)	29	(396)	**(3,935)**	849	31	**880**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	4,120	(42)	95	**4,173**	(687)	(50)	**(737)**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	421	-	53	**474**	(462)	-	**(462)**
- Changes in fair value of assets and liabilities recognised in equity	-	-	599	**599**	-	-	**-**
at 31 December 2011	**21,464**	**1,595**	**9,871**	**32,930**	**(26,288)**	**(7,616)**	**(33,904)**

(1) 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.
(2) These are financial instruments initially recognised at fair value and reclassified as loans and receivables.

The Level 3 financial instruments may be hedged by other Level 1 and/or Level 2 instruments, the gains and losses on which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments. More particularly, losses and gains on financial assets and liabilities at model value through profit or loss held for trading purposes, amounting respectively to EUR 552 million and EUR 162 million at 31 December 2011 (compared with EUR 5,027 million and EUR 5,484 million at 31 December 2010), primarily correspond to changes in the value of CDO positions classified in Level 3 hedged by CDS positions classified in Level 2.

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

- Determination of value adjustments

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

All of these instruments are subject to uncertainties in their valuation, which give rise to value adjustments, reflecting the risk premium that would be incorporated by a market operator when setting the price. These valuation adjustments take account in particular of:
- risks that would not be taken into account by the model (adjustment for model risk);
- the inherent uncertainty in estimating valuation parameters (adjustment for uncertain parameters);
- liquidity risks associated with the instrument or parameter concerned;
- specific risk premiums intended to offset certain additional costs resulting from the dynamic management strategy associated with the model under certain market conditions;
- counterparty risk.

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

- Assessment of value sensitivity

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

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

	31 December 2011		31 December 2010	
In millions of euros	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Financial instruments at fair value through profit or loss held for trading or designated as at fair value (1)	+/- 1,300		+/- 1,304	
Available-for-sale financial assets		+/- 104		+/- 91

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

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

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

The day one profit is calculated after setting aside reserves for uncertainties as described previously and taken back to profit or loss over the expected period for which the inputs will be non-observable. The yet to be unamortised amount is included under “Financial instruments held for trading purposes at fair value through profit or loss” as a reduction in the fair value of the relevant complex transactions.

Changes in the deferred margin included in the price of derivatives sold to clients and measured with internal models based on non-observable inputs (“day one profit”) can be analysed as follows over 2010 and 2011:

In millions of euros	31 December 2011	31 December 2010
Deferred margin at the beginning of the period	**920**	**860**
Deferred margin on transactions during the year	286	437
Margin taken to the profit and loss account during the year	(551)	(377)
Deferred margin at the end of the period	**655**	**920**

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

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

- Data relating to financial instruments by reclassification date

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

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

Measurement of reclassified assets at 31 December 2011

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

- On the balance sheet

In millions of euros	31 December 2011		31 December 2010	
	Carrying value	Market or model value	Carrying value	Market or model value
Sovereign securities reclassified as loans and receivables due from customers	**3,939**	**3,600**	**-**	**-**
of which Greek sovereign securities	1,201	1,133		
of which Portuguese sovereign securities	1,939	1,631		
of which Irish sovereign securities	799	836		
Reclassified structured transactions and others fixed-income securities	**4,664**	**4,511**	**6,003**	**6,024**
Into loans and receivables due from customers	4,647	4,494	5,985	6,006
Into available-for-sale	17	17	18	18

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

In millions of euros	Year to 31 Dec. 2011				Year to 31 Dec. 2010	
	Realised			Pro forma amount for the period (1)	Realised	Pro forma amount for the period (1)
	before reclassification	after reclassification	Total			
In profit or loss item	**(409)**	**(2,415)**	**(2,630)**	**(2,838)**	**387**	**346**
in revenues	116	211	509	361	409	376
of which Greek sovereign securities	87	178	265	265	-	-
of which Portuguese sovereign securities	19	56	75	75	-	-
of which Irish sovereign securities	10	(23)	(13)	(13)	-	-
of which strucutred transactions and other fixed-income securities	-	-	182	34	409	376
in cost of risk	(525)	(2,626)	(3,139)	(3,199)	(22)	(30)
of which Greek sovereign securities	(525)	(2,626)	(3,151)	(3,199)	-	-
of which structured transactions and other fixed-income securities	-	-	12	-	(22)	(30)
as direct change in equity (before tax)	**504**	**850**	**1,379**	**1,180**	**79**	**65**
of which Greek sovereign securities	681	778	1,459	1,459	-	-
of which Portuguese sovereign securities	(176)	32	(144)	(336)	-	-
of which Irish sovereign securities	(1)	40	39	48	-	-
of which structured transactions and other fixed-income securities	-	-	25	9	79	65
Total profit and loss impact and direct changes in equity resulting from reclassified items	**95**	**(1,565)**	**(1,251)**	**(1,658)**	**466**	**411**

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

5.f INTERBANK AND MONEY-MARKET ITEMS

- Loans and receivables due from credit institutions

In millions of euros	31 December 2011	31 December 2010
Demand accounts	12,099	11,273
Loans	35,130	45,353
Repurchase agreements	2,847	7,086
Total loans and receivables due from credit institutions, before impairment provisions	**50,076**	**63,712**
of which doubtful loans	*976*	*1,466*
Provisions for impairment of loans and receivables due from credit institutions (note 2.f)	(707)	(994)
Total loans and receivables due from credit institutions, net of impairment provisions	**49,369**	**62,718**

- Due to credit institutions

In millions of euros	31 December 2011	31 December 2010
Demand accounts	18,308	17,464
Borrowings	119,324	131,947
Repurchase agreements	11,522	18,574
Total due to credit institutions	**149,154**	**167,985**

5.g CUSTOMER ITEMS

- Loans and receivables due from customers

In millions of euros	31 December 2011	31 December 2010
Demand accounts	38,448	28,188
Loans to customers	624,229	633,583
Repurchase agreements	1,421	16,523
Finance leases	29,694	33,063
Total loans and receivables due from customers, before impairment provisions	**693,792**	**711,357**
of which doubtful loans	*43,696*	*42,100*
Impairment of loans and receivables due from customers (note 2.f)	(27,958)	(26,671)
Total loans and receivables due from customers, net of impairment provisions	**665,834**	**684,686**

- Breakdown of finance leases

In millions of euros	31 December 2011	31 December 2010
Gross investment	**32,614**	**36,261**
Receivable within 1 year	*8,856*	*9,829*
Receivable after 1 year but within 5 years	*16,127*	*18,756*
Receivable beyond 5 years	*7,631*	*7,676*
Unearned interest income	(2,920)	(3,198)
Net investment before impairment provisions	**29,694**	**33,063**
Receivable within 1 year	*8,165*	*9,106*
Receivable after 1 year but within 5 years	*14,636*	*16,983*
Receivable beyond 5 years	*6,893*	*6,974*
Impairment provisions	(1,062)	(1,302)
Net investment after impairment provisions	**28,632**	**31,761**

- Due to customers

In millions of euros	31 December 2011	31 December 2010
Demand deposits	254,530	262,358
Term accounts and short-term notes	214,056	241,409
Regulated savings accounts	54,538	49,610
Repurchase agreements	23,160	27,536
Total due to customers	**546,284**	**580,913**

5.h LOANS WITH PAST-DUE INSTALMENTS, WHETHER IMPAIRED OR NOT, AND RELATED COLLATERAL OR OTHER SECURITY

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

In millions of euros	31 December 2011								
	Maturities of unimpaired past-due loans					Impaired assets and commitments covered by provisions	Total loans and commitments	Collateral received in respect of unimpaired past-due loans	Collateral received in respect of impaired assets
	Total	Up to 90 days	Between 90 days and 180 days	Between 180 days and 1 year	More than 1 year				
Available-for-sale financial assets (excl. variable-income securities)	-	-	-	-	-	72	72		2
Loans and receivables due from credit institutions	501	466	14	5	16	335	836	244	90
Loans and receivables due from customers	17,408	16,578	688	114	28	20,533	37,941	10,989	9,691
Held-to-maturity financial assets	-	-	-	-	-	63	63	-	-
Past-due assets, net of individual impairment provisions	**17,909**	**17,044**	**702**	**119**	**44**	**21,003**	**38,912**	**11,233**	**9,783**
Financing commitments given						559	559		106
Guarantee commitments given						1,156	1,156		571
Off-balance sheet non-performing commitments, net of provisions						**1715**	**1715**	**0**	**677**
Total	**17,909**	**17,044**	**702**	**119**	**44**	**22,718**	**40,627**	**11,233**	**10,460**

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

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.

5.i DEBT SECURITIES AND SUBORDINATED DEBT

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

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

In millions of euros Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking [(1)]	Conditions precedent for coupon payment [(3)]	31 December 2011	31 December 2010
Debt securities						**1**		**37,987**	**47,735**
Subordinated debt								**2,393**	**3,108**
- Redeemed subordinated debt			(2)			**2**		1,283	1,521
- Perpetual subordinated debt								1,110	1,587
Fortis Banque SA Dec. 2007	EUR	3,000	Dec-14	3-month Euribor + 200 bp	-	**5**	**A**	1,025	1,500
Others	-	-	-	-				85	87

(1) The subordination ranking reflects where the debt stands in the order of priority for repayment against other financial liabilities if the issuer should be liquidated.

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

(3) Conditions precedent for coupon payment:

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

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

The CASHES are perpetual securities but may be exchanged for Fortis SA/NV (now Ageas) shares at the holder's sole discretion at a price of EUR 23.94. However, as of 19 December 2014, the CASHES will be automatically exchanged into Fortis SA/NV shares if their price is equal to or higher than EUR 35.91 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the 125,313,283 Fortis SA/NV shares that Fortis Bank acquired on the date of issuance of the CASHES and pledged to them.

Fortis SA/NV and Fortis Banque have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on Fortis Banque of the relative difference between changes in the value of the CASHES and changes in the value of the Fortis SA/NV shares. The net balance represents a subordinated liability of EUR 651 million that is permitted for inclusion in Tier 1 capital

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

The parties have agreed that BNP Paribas will launch a cash offer for the CASHES. Secondly, it will convert the CASHES acquired into underlying Ageas shares, with an undertaking not to sell them for a period of six months, and it will receive compensation from Ageas, with the RPN mechanism ceasing to exist proportionally to the CASHES converted.

The bank announced on 31 January 2012 that the offer was closed on 30 January with a success rate of 63% at a price of 47.5%.

Maturity schedule of medium- and long-term debt securities and redeemable subordinated debt designated at fair value through profit or loss with a maturity at issuance of more than one year:

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

Maturity or call option date, in millions of euros	2011	2012	2013	2014	2015	2016-2020	After 2020	TOTAL at 31 December 2010
Medium- and long-term debt securities	13,350	7,415	5,041	6,075	5,470	6,281	4,103	47,735
Redeemable subordinated debt	77	524	181	89	456	132	62	1,521
Total	**13,427**	**7,939**	**5,222**	**6,164**	**5,926**	**6,413**	**4,165**	**49,256**

DEBT SECURITIES MEASURED AT AMORTISED COST

In millions of euros Issuer / Issue date	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking (1)	Conditions precedent for coupon payment (3)	31 December 2011	31 December 2010
Debt securities								**157 786**	**208 669**
- Debt securities in issue with an initial maturity less than one year						1		71 213	130 604
Negotiable debt securities								*71 213*	*130 604*
- Debt securities in issue with an initial maturity of more than one year						1		86 573	78 065
Negotiable debt securities								63 758	56 068
Bonds								22 815	21 997
Subordinated debt								**19 683**	**24 750**
- Redeemed subordinated debt			(2)			2		16 165	21 423
- Undated subordinated notes								2 396	2 272
BNP SA Oct. 85	EUR	305	-	TMO - 0.25%	-	3	B	254	254
BNP SA Sept. 86	USD	500	-	6-month Libor +0.075%	-	3	C	211	205
Fortis Banque SA Sept. 01	EUR	1 000	Sep-11	6,500%	3-month Euribor + 237 bp	5	D	1 000	968
Fortis Banque SA Oct. 04	EUR	1 000	Oct-14	4,625%	3-month Euribor + 170 bp	5	E	814	750
Others	-		-	-	-			117	95
- Undated subordinated notes								893	820
Fortis Banque NV/SA Feb. 08	USD	750	-	8,28%	-	5	E	548	493
Fortis Banque NV/SA June 08	EUR	375	-	8,03%	-	5		345	327
- Participating notes (4)								224	227
BNP SA July 84	EUR	337	-	depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate	-	4	n/a	220	220
Others	-	-	-	-	-			4	7
- Expenses and commission, related debt								5	8

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

(3) Conditions precedent for coupon payment

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

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

D Interest is not payable if the coupons exceed the difference between net equity and the amount of the issuer's share capital and reserves not available for distribution.

E Coupons are paid in the form of other securities if Tier 1 capital stands at less than 5% of the issuer's risk-weighted assets

(4) The participating notes issued by BNP SA may be repurchased as provided for in the law of 3 January 1983. Accordingly, 434,267 notes out of the 2,212,761 originally issued were repurchased and cancelled between 2004 and 2007.

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

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

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

Maturity or call option date, in millions of euros	2011	2012	2013	2014	2015	2016-2020	After 2020	TOTAL at 31 December 2010
Medium- and long-term debt securities	13,804	16,961	8,833	13,336	9,099	9,733	6,299	78,065
Redeemable subordinated debt	500	2,786	2,439	1,439	1,945	11,528	786	21,423
Total	**14,304**	**19,747**	**11,272**	**14,775**	**11,044**	**21,261**	**7,085**	**99,488**

5.j HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2011	31 December 2010
Negotiable certificates of deposit	**67**	**2,952**
Treasury bills and other bills eligible for central bank refinancing	6	2,892
Other negotiable certificates of deposit	61	60
Bonds	**10,509**	**10,821**
Government bonds	10,388	10,664
Other bonds	121	157
Total held-to-maturity financial assets	**10,576**	**13,773**

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

5.k CURRENT AND DEFERRED TAXES

In millions of euros	31 December 2011	31 December 2010
Current taxes	2,227	2,315
Deferred taxes	9,343	9,242
Current and deferred tax assets	**11,570**	**11,557**
Current taxes	1,893	2,104
Deferred taxes	1,596	1,641
Current and deferred tax liabilities	**3,489**	**3,745**

Change in deferred tax over the period:

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Net deferred taxes at start of period	**7,601**	**7,957**
Loss of deferred taxes (note 2.g)	(687)	(1,572)
Change in deferred taxes linked to the remeasurement and reversal through profit or loss of remeasurement adjustments on available-for-sale financial assets, including those reclassified as loans and receivables	848	1,018
Change in deferred taxes linked to the remeasurement and reversal through profit or loss of remeasurement adjustments on hedging derivatives	(428)	16
Effect of exchange rate and other movements	413	182
Net deferred taxes at end of period	**7,747**	**7,601**

Breakdown of deferred tax assets and liabilities by origin:

In millions of euros	31 December 2011	31 December 2010
Available-for-sale financial assets, including those reclassified as loans and receivables	1,708	827
Unrealised finance lease reserve	(725)	(715)
Provisions for employee benefit obligations	844	884
Provision for credit risk	3,607	3,829
Other items	(535)	(116)
Tax loss carryforwards	2,848	2,892
Net deferred taxes	**7,747**	**7,601**
Deferred tax assets	9,343	9,242
Deferred tax liabilities	(1,596)	(1,641)

In order to determine the size of the tax loss carryforwards capitalised as assets, the Group conducts every year a specific review for each relevant entity based on the applicable tax regime notably incorporating any preemption rules, and a realistic projection of their future revenue and charges in line with their business plan. According to this review, unrecognised deferred tax assets totalled EUR 2,404 million at 31 December 2011 compared with EUR 2,241 million at 31 December 2010.

Deferred tax assets recognised on tax loss carryforwards:

In millions of euros	31 December 2011	Statutory time limit on carryforwards	Expected recovery period
Fortis Bank Belgium	1,848	unlimited	14 years
BNP Paribas London branch	268	unlimited	2 yeas
UkrSibbank	125	unlimited	8 years
B.N.L Vita Spa	110	unlimited	8 years
Others	497		
Total deferred tax assets relating to tax loss carryforwards	**2,848**		

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

In millions of euros	31 December 2011	31 December 2010
Guarantee deposits and bank guarantees paid	44,832	32,711
Settlement accounts related to securities transactions	18,972	21,889
Collection accounts	792	2,486
Reinsurers' share of technical reserves	2,524	2,495
Accrued income and prepaid expenses	2,996	3,405
Other debtors and miscellaneous assets	23,424	20,138
Total accrued income and other assets	**93,540**	**83,124**
Guarantee deposits received	40,733	25,777
Settlement accounts related to securities transactions	16,577	19,515
Collection accounts	1,084	566
Accrued expenses and deferred income	4,708	5,630
Other creditors and miscellaneous liabilities	17,908	13,741
Total accrued expenses and other liabilities	**81,010**	**65,229**

The increase in guarantee deposits paid and received can be attributed to the extension of collateralisation practices relating to OTC financial instruments transactions and the increase in margin calls following the change in value of market parameters.

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

In millions of euros	31 December 2011	31 December 2010
Reinsurers' share of technical reserves at start of period	**2,495**	**2,403**
Increase in technical reserves borne by reinsurers	1,463	1,151
Amounts received in respect of claims and benefits passed on to reinsurers	(1,412)	(1,073)
Effect of changes in exchange rates and scope of consolidation	(22)	14
Reinsurers' share of technical reserves at end of period	**2,524**	**2,495**

5.m INVESTMENTS IN ASSOCIATES

Companies accounted for under the equity method with a carrying amount of over EUR 100 million at 31 December 2011 are listed individually below.

In millions of euros	31 December 2011	31 December 2010
Retail Banking	**1,269**	**1,058**
of which Bank of Nanjing	362	295
of which Carrefour Promotora Vendas Participacoes	140	125
of which Servicios Financieros Carrefour EFC SA	112	102
of which Carrefour banque (Ex Societe Paiement Pass)	248	240
Investment Solutions	**1,665**	**1,956**
of which AG Insurance	957	1,046
of which BNPP Cardif Emeklilik Anonim Sirketi	137	-
of which B.N.L Vita	-	232
Corporate and Investments Banking	**489**	**513**
Of which Verner Investment	354	361
Other businesses	**1,051**	**1,271**
of which Erbe	967	1,219
Investments in associates	**4,474**	**4,798**

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

In millions of euros	Financial reporting standard	Total assets	Net revenue	Net income attributable to equity holders
AG Insurance (2)	Local Gaap	57,910	6,659	176
Bank of Nanjing (2)	Local Gaap	25,132	602	262
BNPP Cardif Emeklilik Anonim Sirketi (1)	IFRS Gaap	315	8	-10
Carrefour banque (Ex Societe Paiement Pass) (2)	Local Gaap	4,080	348	66
Carrefour Promotora Vendas Participacoes (2)	Local Gaap	340	46	60
Erbe (2)	Local Gaap	2,346	n.s.	(1)
Servicios Financieros Carrefour EFC SA (2)	Local Gaap	1,260	204	34
Verner Investissement (1)	IFRS Gaap	6,867	395	58

(1) Data relating to 31 December 2011
(2) Data relating to 31 December 2010

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

In millions of euros	31 December 2011			31 December 2010		
	Gross value	Accumulated depreciation, amortisation and	Carrying amount	Gross value	Accumulated depreciation, amortisation and	Carrying amount
INVESTMENT PROPERTY	13,621	(2,177)	11,444	14,411	(2,084)	12,327
Land and buildings	6,857	(1,339)	5,518	6,504	(1,286)	5,218
Equipment, furniture and fixtures	6,614	(4,092)	2,522	6,550	(3,999)	2,551
Plant and equipment leased as lessor under operating leases	12,964	(4,256)	8,708	11,927	(4,127)	7,800
Other property, plant and equipment	2,334	(804)	1,530	2,279	(723)	1,556
PROPERTY, PLANT AND EQUIPMENT	28,769	(10,491)	18,278	27,260	(10,135)	17,125
Purchased software	2,410	(1,814)	596	2,297	(1,705)	592
Internally-developed software	2,705	(1,920)	785	2,392	(1,679)	713
Other intangible assets	1,542	(451)	1,091	1,989	(796)	1,193
INTANGIBLE ASSETS	6,657	(4,185)	2,472	6,678	(4,180)	2,498

- Investment property

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

The estimated fair value of investment property accounted for at cost at 31 December 2011 was EUR 16,900 million, compared with EUR 18,138 million at 31 December 2010.

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

In millions of euros	31 December 2011	31 December 2010
Future minimum lease payments receivable under non-cancellable leases	**8,248**	**6,205**
Payments receivable within 1 year	*3,203*	*2,208*
Payments receivable after 1 year but within 5 years	*4,624*	*3,258*
Payments receivable beyond 5 years	*421*	*739*

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

- Intangible assets

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

- Depreciation, amortisation and impairment

Net depreciation and amortisation expense for the year ended 31 December 2011 was EUR 1,491 million, compared with EUR 1,613 million for the year ended 31 December 2010.

The net decrease in impairment losses on property, plant, equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2011 amounted to EUR 17 million, compared with a net increase of EUR 20 million for the year ended 31 December 2010.

5.o GOODWILL

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Carrying amount at start of period	**11,324**	**10,979**
Acquisitions	341	25
Divestments	(157)	(40)
Impairment losses recognised during the period	(173)	(78)
Translation adjustments	53	388
Other movements	18	50
Carrying amount at end of period	**11,406**	**11,324**
Gross value	12,082	11,901
Accumulated impairment recognised at the end of period	(676)	(577)

Goodwill by core business is as follows:

In millions of euros	Carrying amount		Impairment losses recognised		Acquisitions of the period	
	31 December 2011	31 December 2010	Year to 31 Dec. 2011	Year to 31 Dec. 2010	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Goodwill						
Retail Banking	8,549	8,623	(172)	(2)	216	11
BancWest	*3,852*	*3,733*				*3*
French & Belgium Retail Banking	*77*	*68*			*9*	
Italian Retail Banking	*1,698*	*1,698*				
Equipment Solution	*542*	*682*			*7*	*1*
Mediterranean Europe	*287*	*142*		*(2)*	*199*	*7*
Personal Finance	*2,093*	*2,300*	*(172)*		*1*	
Investment Solutions	1,957	1,813		(76)	125	10
Insurance	*258*	*138*			*120*	*3*
Investment Partners	*248*	*229*		*(76)*		
Personal Investors	*413*	*417*				
Real Estate	*348*	*342*			*5*	
Securities Services	*365*	*362*				*7*
Wealth Management	*325*	*325*				
Corporate and Investment Banking	657	645				4
Other businesses	243	243	(1)			
TOTAL GOODWILL	**11,406**	**11,324**	**(173)**	**(78)**	**341**	**25**
Negative goodwill on Fortis acquisition			**67**			
CHANGE IN VALUE OF GOODWILL			**(106)**	**(78)**		

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

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

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

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

The table below shows the sensitivity of cash generating unit valuations to changes in the value of parameters used in the DCF calculation. The cost of capital, cost/income ratio and sustainable 10-year growth rate are specific to each business. Notional equity allocated and growth rates beyond 10 years are set at 7% and 2% respectively for all businesses. The percentage of capital employed complies with regulatory requirements and the growth rate beyond 10 years is conservative in view of inflation rates in most countries in which the Group operates.

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

In millions of euros	BNL bc	BancWest	Personal Finance (excluding specific CGU)
Cost of capital			
Adverse change (+10 basis points)	(103)	(131)	(93)
Positive change (- 10 basis points)	106	135	95
Cost/income ratio			
Adverse change (+ 1 point)	(215)	(230)	(315)
Positive change (-1 point)	215	230	315
Sustainable growth rate			
Adverse change (- 1 point)	(215)	(337)	(690)
Positive change (+1 point)	222	355	726

For each cash generating unit mentioned above, there are no grounds for goodwill writedowns even if the three most adverse scenarios contained in the table are applied to the impairment test.

5.p TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros	31 December 2011	31 December 2010
Liabilities related to insurance contracts	**122,494**	**103,056**
Gross technical reserves		
Unit-linked contracts	39,550	33,058
Other insurance contracts	82,944	69,998
Liabilities related to financial contracts with discretionary participation feature	**10,564**	**10,029**
Policyholders' surplus	**-**	**1,833**
Total technical reserves of insurance companies	**133,058**	**114,918**
Technical reserves of insurance companies (1)	(1,247)	-
Liabilities related to unit-linked financial contracts (2)	1,340	1,437
Liabilities related to general fund financial contracts	45	54
Total liabilities related to contracts written by insurance companies	**133,196**	**116,409**

(1) The policyholders' loss reserve is presented under "other debtors and miscellaneous assets"

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

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets.

For France, identical to 2010, this interest is set at 90% and is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios. Market conditions arising from the financial crisis in the second half of 2011 led to the recognition of a receivable of EUR 773 million. This receivable represents policyholders' share of unrealised losses and writedowns on the portfolio of financial assets, which are taken to income or directly to equity depending on their accounting category.

This amount is deemed recoverable on the basis of a stochastic analysis of future cash flows over a 15-year period, and taking into account consistent assumptions regarding rates paid to customers and new money inflows. In addition, held-to-maturity financial assets and property assets recognised at amortised cost gave rise to an unrealised gain of EUR 962 million, representing future returns higher than current market rates.

In regards to the life insurance business in Italy, a receivable of EUR 473 million relating to the policyholders' loss reserve was recognised at 31 December 2011, including EUR 434 million relating to the valuation carried out when the Group took control of BNL Vita. This asset, which is calculated by averaging stochastic calculations taking into account dynamic lapse rates and consistent assumptions regarding rates paid to customers and new money inflows, represent the proportion attributable to policyholders of unrealised gains or losses and impairment relating to the portfolio of financial assets classified mainly as available for sale.

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

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Liabilities related to contracts at start of period	**116,409**	**103,991**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	11,895	16,389
Claims and benefits paid	(12,407)	(9,799)
Contracts portfolio disposals	(92)	(608)
Effect of changes in scope of consolidation	18,984	4,449
Effect of movements in exchange rates	4	575
Effect of changes in value of admissible investments related to unit-linked business	(1,597)	1,412
Liabilities related to contracts at end of period	**133,196**	**116,409**

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

5.q PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Total provisions at start of period	**10,311**	**10,464**
Additions to provisions	1,964	1,527
Reversals of provisions	(1,588)	(964)
Provisions used	(1,260)	(1,050)
Effect of movements in exchange rates and other movements	1,053	334
Total provisions at end of period	**10,480**	**10,311**

At 31 December 2011 and 31 December 2010, provisions for contingencies and charges mainly included provisions for post-employment benefits (note 7.b), for impairment related to credit risks (note 2.f), for risks on regulated savings products and for litigation in connection with banking transactions.

- Provisions for regulated savings product risks

Deposits, loans and savings

In millions of euros	31 December 2011	31 December 2010
Deposits collected under home savings accounts and plans	**14,699**	**14,172**
of which deposits collected under home savings plans	11,846	11,401
Aged more than 10 years	*5,897*	*3,764*
Aged between 4 and 10 years	*3,290*	*5,752*
Aged less than 4 years	*2,659*	*1,885*
Outstanding loans granted under home savings accounts and plans	**438**	**515**
of which loans granted under home savings plans	96	126
Provisions recognised for home savings accounts and plans	**243**	**226**
of which home savings plans	224	203
Aged more than 10 years	*65*	*67*
Aged between 4 and 10 years	*91*	*102*
Aged less than 4 years	*68*	*34*

Change in provisions

In millions of euros	Year to 31 Dec. 2011		Year to 31 Dec. 2010	
	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	**203**	**23**	**166**	**36**
Additions to provisions during the period	21	-	37	-
Provision reversals during the period	-	(4)	-	(13)
Total provisions at end of period	**224**	**19**	**203**	**23**

6. FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

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

In millions of euros	31 December 2011	31 December 2010
Financing commitments given		
- to credit institutions	27,291	45,413
- to customers	226,007	269,318
Confirmed letters of credit	199,706	225,647
Other commitments given to customers	26,301	43,671
Total financing commitments given	253,298	314,731
Financing commitments received		
- from credit institutions	119,719	104,768
- from customers	6,781	24,728
Total financing commitments received	126,500	129,496

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2011	31 December 2010
Guarantee commitments given		
- to credit institutions	14,920	10,573
- to customers	91,176	91,990
- Property guarantees	1,783	1,502
- Sureties provided to tax and other authorities, other sureties	50,975	50,241
- Other guarantees	38,418	40,247
Total guarantee commitments given	106,096	102,563

6.c OTHER GUARANTEE COMMITMENTS

Financial instruments given as collateral

In millions of euros	31 December 2011	31 December 2010
Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut	91,231	94,244
- Used as collateral with central banks	48,582	15,623
- Available for refinancing transactions	42,649	78,621
Securities sold under repurchase agreements	239,813	275,245
Other financial assets pledged as collateral for transactions with banks and financial customers (1)	92,747	96,392

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

Financial instruments given as collateral by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 309,801 million at 31 December 2011 (EUR 327,482 million at 31 December 2010).

Financial instruments received as collateral

In millions of euros	31 December 2010	31 December 2009
Financial instruments received as collateral (excluding repurchase agreements)	**68,705**	**73,623**
of which instruments that the Group is authorised to sell and reuse as collateral	*30,509*	*41,440*
Securities received under repurchase agreements	**195,530**	**250,607**

The financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 144,791 million at 31 December 2011 (compared with EUR 210,356 million at 31 December 2010).

7. SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSES

In millions of euros	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Fixed and variable remuneration, incentive bonuses and profit-sharing	10,844	11,406
Retirement bonuses, pension costs and social security taxes	3,724	3,234
Payroll taxes	435	470
Total salary and employee benefit expenses	**15,003**	**15,110**

7.b POST-EMPLOYMENT BENEFITS

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

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

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

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

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

The amount paid into defined-contribution post-employment plans in France and other countries for the year to 31 December 2011 was EUR 511 million, compared with EUR 482 million for the year to 31 December 2010.

- Defined-benefit pension plans for Group entities

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees at that date and active employees in service at that date. The residual pension obligations are covered by a provision in the consolidated financial statements or are transferred to an insurance company outside the Group. The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed and converted into top-up type schemes. The amounts allocated to the beneficiaries, subject to their presence within the Group at retirement, were fixed when the previous schemes were closed. These pension plans have been funded through insurance companies. The fair value of the related plan assets in these companies' balance sheets breaks down as 84% bonds, 7.7% equities and 8.3% property assets.

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

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

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

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

On 31 December 2011, Belgium, the United Kingdom, the United States, Switzerland and Turkey represented 92% of the total gross defined-benefit obligations outside France. The fair value of the related plan assets was split as follows: 61% bonds, 16% equities, 23% other financial instruments (including 7% in insurance contracts).

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement. BNP Paribas' obligations for these benefits in France are funded through a contract held with a third-party insurer. In other countries, the Group obligations are mainly concentrated in Italy (80%), where pension reforms changed Italian termination indemnity schemes (TFR) into defined-contribution plans effective from 1 January 2007. Rights vested up to 31 December 2006 continue to be qualified as defined-benefit obligations.

- Post-employment healthcare plans

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

- Obligations under defined benefit plans

- Assets and liabilities recognised on the balance sheet

In millions of euros	Post-employment benefits 31 December 2011	Post-employment benefits 31 December 2010	Post-employment healthcare benefits 31 December 2011	Post-employment healthcare benefits 31 December 2010
Present Value of Defined Benefit Obligation	**8,351**	**8,052**	**121**	**114**
Defined benefit obligation arising from wholly or partially funded plans	7,517	7,328	-	-
Defined Benefit Obligation arising from wholly unfunded plans	834	724	121	114
Fair value of plan assets	**(3,798)**	**(3,889)**	**-**	**-**
Fair value of reimbursement rights (1)	**(2,463)**	**(2,366)**	**-**	
Cost not yet recognised in accordance with IAS 19	**(407)**	**(219)**	**(5)**	**(1)**
Prior Service Costs	(164)	(178)	1	(3)
Net actuarial Gains/(Losses)	(243)	(41)	(6)	2
Effect of asset ceiling	**91**	**209**	**-**	**-**
Net obligation recognised in the balance sheet for defined-benefit plans	**1,774**	**1,787**	**116**	**113**
Asset recognised in the balance sheet for defined-benefit plans	(2,624)	(2,473)	-	-
of which net assets of defined-benefit plans	(161)	(107)	-	-
of which fair value of reimbursement rights	(2,463)	(2,366)	-	-
Obligation recognised in the balance sheet for defined-benefit plans	4,398	4,260	116	113

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

- Change in the present value of the defined benefit obligation

In millions of euros	Post-employment benefits Year 31 Dec. 2011	Post-employment benefits Year 31 Dec. 2010	Post-employment healthcare benefits Year 31 Dec. 2011	Post-employment healthcare benefits Year 31 Dec. 2010
Present Value of Defined Benefit Obligation at start of period	**8,052**	**8,009**	**114**	**99**
Current Service Cost	300	308	3	2
Interest Cost	320	335	5	5
Plan amendments	(8)	5	1	2
Curtailments or settlements	(97)	(319)	(1)	-
Actuarial (Gains)/Losses on obligation	210	(95)	3	6
Actual Employee Contributions	30	30	-	-
Benefits paid directly by employer	(145)	(120)	(5)	(4)
Benefits paid from assets/reimbursement rights	(297)	(327)	-	-
Exchange rate (Gains)/Losses on obligation	23	212	2	3
Consolidation variation (Gains)/Losses on obligation	(37)	16	-	-
Others	-	(2)	(1)	1
Present Value of Defined Benefit Obligation at end of period	**8,351**	**8,052**	**121**	**114**

- Change in the fair value of plan assets

In millions of euros	Post-employment benefits Year 31 Dec. 2011	Post-employment benefits Year 31 Dec. 2010
Fair value of plan assets at start of period	**3,889**	**3,474**
Expected return on plan assets	188	197
Settlements	(55)	(6)
Actuarial Gains/(Losses) on plan assets	(49)	61
Actual Employee contributions	21	22
Employer contributions	127	123
Benefits paid from plan assets	(138)	(171)
Exchange rate Gains/(Losses) on plan assets	(31)	185
Consolidation variation Gains/(Losses) on plan assets	(155)	4
Others	1	-
Fair value of plan assets at end of period	**3,798**	**3,889**

Healthcare benefit plans are not funded plans.

- Change in the fair value of reimbursement rights

In millions of euros	Post-employment benefits Year 31 Dec. 2011	Post-employment benefits Year 31 Dec. 2010
Fair value of reimbursement rights at start of period	**2,366**	**2,566**
Expected return on reimbursement rights	92	96
Settlements	-	(199)
Actuarial Gains/(Losses) on reimbursement rights	1	(58)
Actual Employee contributions	9	8
Employer contributions	111	108
Benefits paid from reimbursement rights	(159)	(156)
Consolidation variation Gains/(Losses) on reimbursement rights	3	-
Effect of change in scope	41	-
Others	(1)	1
Fair value of reimbursement rights at end of period	**2,463**	**2,366**

Healthcare benefit plans are not funded plans.

- Components of the cost of defined-benefit plans

	Post-employment benefits		Post-employment healthcare benefits	
In millions of euros	Year 31 Dec. 2011	Year 31 Dec. 2010	Year 31 Dec. 2011	Year 31 Dec. 2010
Current Service Cost	300	308	3	2
Interest Cost	320	335	5	5
Expected return on plan assets	(188)	(197)	-	-
Expected return on reimbursement rights	(92)	(96)	-	-
Amortization of actuarial (Gains)/Losses	62	4	-	-
Amortization of Prior Service Costs	5	13	-	1
(Losses)/Gains on curtailments or settlements	(39)	(104)	(1)	-
Effect of asset ceiling	(32)	41	-	-
Others	(2)	(2)	-	-
Total expense recognised in profit and loss	**334**	**302**	**7**	**8**

- Method used to measure obligations

Defined-benefit plans are valued by independent firms using actuarial techniques, applying the projected unit credit method, in order to determine the expense arising from rights vested by employees and benefits payable to retired employees. The demographic and financial assumptions used to estimate the present value of these obligations and of plan assets take into account economic conditions specific to each country and Group company.

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

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

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

The rates used are as follows:

In %	31 December 2011				31 December 2010			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Discount rate	3.14%-4.64%	3.30%-4.70%	3.50%	4.50%	3.26%-4.40%	3.15%-4.50%	4.70%	5.25%
Rate of compensation increase (1)	3.00%-4.50%	2.00%-4.65%	2.00%-4.50%	4.00%	3.00%-4.50%	1.80%-5.80%	2.00%-5.20%	4.00%

(1) including price increases (inflation)

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

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

In %	Year to 31 Dec. 2011				Year to 31 Dec. 2010			
	France	Euro zone excl. France	UK	USA	France	Euro zone excl. France	UK	USA
Expected return on plan assets and reimbursement rights (1)	3.90%	3.25%-4.70%	3.00%-6.20%	4.50%-6.00%	3.90%	3.25%-4.70%	4.40%-6.80%	5.00%-6.00%
Actual return on plan assets and reimbursement rights (1)	3.68%	1.00%-6.40%	2.80%-7.40%	1.00%-5.00%	3.89%	3.00%-13.00%	3.30%-13.60%	9.70%-11.30%

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

- Actuarial gains and losses

Actuarial gains and losses reflect increases or decreases in the present value of a defined benefit obligation or in the fair value of the corresponding plan assets. Actuarial gains and losses resulting from the change in the present value of a defined benefit plan obligation are the cumulative effect of experience adjustments (differences between previous actuarial assumptions and actual occurrences) and the effects of changing actuarial assumptions.

BNP Paribas applies the “corridor” approach permitted in IAS 19, which specifies that recognition of actuarial gains and losses is deferred when they do not exceed 10% of the greater of the i) obligation and ii) value of the plan assets. The “corridor” is calculated separately for each defined-benefit plan. Where this limit is breached, the exceeding portion of cumulative actuarial gains and losses is amortised in the profit and loss account over the remaining working lives of employees participating to the plan.

The following table shows the actuarial gains and losses:

	Post-employment benefits	
In millions of euros	**31 December 2011**	**31 December 2010**
Cumulative unrecognised actuarial losses	**(243)**	**(41)**
Net actuarial (losses) / gains generated over the period	**(258)**	**98**
of which Actuarial Losses/Gains on plan assets or reimbursement rights	(51)	3
of which Actuarial Losses/Gains from changes in actuarial assumptions on obligation	(275)	137
of which Experience Gains/Losses on obligation	68	(42)

7.c OTHER LONG-TERM BENEFITS

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

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

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

In millions of euros	31 December 2011	31 December 2010
Net provisions for other long-term benefits	864	821

7.d TERMINATION BENEFITS

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

Furthermore, within the framework of the plan to reduce the size of its balance sheet adopted in the second half of 2011, a plan to adapt the headcount has been introduced, primarily within Corporate and Investment Banking. Provisions of EUR 201 million have been set aside in respect of the measures implemented to 31 December 2011.

In millions of euros	31 December 2011	31 December 2010
Provisions for voluntary departure, early retirement plans, and headcount adaptation plan	533	469

7.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

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

- Global Share-Based Incentive Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Deferred share price-linked, cash-settled compensation plans

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation, with respect to 2009 and 2010, for employees, subject to special regulatory frameworks

  In 2009, the relevant Group employees were primarily trading staff. The variable compensation plan was established in accordance with the rules set out in the Decree of 3 November 2009 on compensation for employees whose activities are likely to have an impact on the risk exposure of credit institutions and investment firms, and with the industry guidelines for variable compensation paid to trading staff issued on 5 November 2009.

  The 2010 and 2011 variable compensation plan applies to Group employees performing activities that may have a material impact on the Group's risk profile and takes into account the regulatory changes that occurred upon publication of the Decree by the French ministry of finance on 13 December 2010.

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

  Sums are paid mostly in cash and are linked to the negative or positive change in the BNP Paribas share price. In addition, in accordance with the Decree of 13 December 2010, some of the variable compensation awarded in 2011 and 2012 in respect of 2010 and 2011 performance will also be indexed to the BNP Paribas share price and paid to beneficiaries during 2011 and 2012 respectively.

- Deferred variable compensation for other Group employees

  Sums due under the annual deferred compensation plans for high-performing employees are paid all or part in cash and are linked to the negative or positive change in the BNP Paribas share price.

- Expense of share-based payment

Expense in millions of euros	Year to 31 dec. 2011 Stock option plans	Year to 31 dec. 2011 Share award plans	Year to 31 dec. 2011 Variable deferred compensation plans	Year to 31 dec. 2011 Total expense	Year to 31 dec. 2010 Total expense
Prior deferred compensation plans	-	-	(285)	(285)	9
Deferred compensation plan for the year	-	-	287	287	566
Global Share-Based Incentive Plan	39	30	-	69	71
Total	39	30	2	71	646

- Valuation of stock options and share awards

As required under IFRS 2, BNP Paribas attributes a value to stock options and share awards granted to employees and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision to fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of grantees (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

- Measurement of stock subscription options

Binomial or trinomial tree algorithms are used to build in the possibility of non-optimal exercise of options from the vesting date. The Monte Carlo method is also used to price in the characteristics of certain secondary grants linking options to the performance of the BNP Paribas share relative to a sector index.

The implied volatility used in measuring stock option plans is estimated on the basis of a range of ratings prepared by various dealing rooms. The level of volatility used by the Group takes account of historical volatility trends for the benchmark index and BNP Paribas shares over a 10-year period.

Stock subscription options granted in 2011 were valued at between EUR 11.03 and EUR 12.13 depending on whether or not they are subject to performance conditions according to the various secondary award tranches (compared with EUR 13.28 and EUR 14.98, respectively in 2010).

	Year to 31 Dec. 2011	Year to 31 Dec. 2010
	Plan granted on 4 March 2011	Plan granted on 5 March 2010
BNP Paribas share price on the grant date (in euros)	54.49	54.97
Option exercise price (in euros)	56.45	51.20
Implied volatility of BNP Paribas shares	28.5%	27.6%
Expected option holding period	8 years	8 years
Expected dividend on BNP Paribas shares (1)	4.1%	3.0%
Risk-free interest rate	3.5%	3.2%
Expected proportion of options that will be forfeited	1.3%	1.5%

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

- Measurement of share awards

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

	Year to 31 Dec. 2011 Plan granted on 4 March 2011		Year to 31 Dec. 2010 Plan granted on 5 March 2010	
	Vested on 4 March 2014	Vested on 4 March 2015	Vested on 5 March 2013	Vested on 5 March 2014
BNP Paribas share price on the grant date (in euros)	54.49	54.49	54.97	54.97
Date of availability	4 March 2016	4 March 2015	6 March 2015	5 March 2014
Expected dividend on BNP Paribas shares (1)	4.10%	4.10%	3.01%	3.01%
Risk-free interest rate	2.99%	2.81%	2.50%	2.21%
Expected proportion of options that will be forfeited	2.00%	2.00%	2.00%	2.00%
Theoretical unit value	**47.84 €**	**45.95 €**	**50.00 €**	**48.57 €**

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

- History of plans granted under the Global Share-Based Incentive Plan

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2011:

- Stock subscription option plans

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted	Start date of exercise period	Option expiry date	Adjusted exercise price (in euros) (1)	Number of options (1)	Remaining period until expiry of options (years)
BNL (4)	20/10/2000	161	504,926	20/10/2003	20/10/2013	100.997	435,166	1.8
BNL (4)	26/10/2001	223	573,250	26/10/2004	26/10/2014	61.888	4,856	2.8
BNL (4)	26/10/2001	153	479,685	26/10/2004	26/10/2012	61.888	2,123	0.8
BNP Paribas SA (2)	31/05/2002	1,384	2,158,570	31/05/2006	30/05/2012	58.02	1,018,455	0.4
BNP Paribas SA (3)	21/03/2003	1,302	6,693,000	21/03/2007	20/03/2013	35.87	2,681,332	1.2
BNP Paribas SA (3)	24/03/2004	1,458	1,779,850	24/03/2008	21/03/2014	48.15	1,257,418	2.2
BNP Paribas SA (3)	25/03/2005	2,380	4,332,550	25/03/2009	22/03/2013	53.28	4,000,231	1.2
BNP Paribas SA (3)	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,555,174	2.3
BNP Paribas SA (3)	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,393,528	3.2
BNP Paribas SA (3)	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	374,009	3.3
BNP Paribas SA (3)	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,809,741	4.3
BNP Paribas SA (3)	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	2,331,252	5.3
BNP Paribas SA (3)	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,363,640	6.2
BNP Paribas SA (3)	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	2,282,700	7.2
Total options outstanding at end of period							**27,509,625**	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the two-for-one BNP Paribas share split that took place on 20 February 2002, and the pre-emptive subscription rights allotted on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.
(2) These options were subject to vesting conditions related to the financial performance of the Group as measured by the ratio of net income (attributable to equity holders) to average shareholders' equity for the year in question. The minimum requirement is an average ratio of 16% over four years starting in the year of grant, or alternatively over three rolling years starting in the second year after the year of grant.
This condition has been met for the plans concerned.
(3) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index during the applicable holding period.
Based on this relative performance condition, the adjusted exercise price for these options has been set at:
- EUR 37.67 for 338.44 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 171,829 options under the 25 March 2005 plan, outstanding at the year-end
- EUR 77.06 for 157,754 options under the 5 April 2006 plan, outstanding at the year-end

(4) Following the merger between BNL and BNP Paribas on 1 October 2007, stock option plans granted by BNL between 1999 and 2001 entitle beneficiaries to subscribe to BNP Paribas shares as of the date of the merger. Beneficiaries may subscribe to the shares based on a ratio of 1 BNP Paribas share for 27 BNL shares. The exercise price has been adjusted in line with this ratio.

- Share award plans

Characteristics of the plan						Number of shares outstanding at end of period [(2)]
Originating company	Date of grant	Number of grantees	Number of shares granted	Vesting date of share granted [(1)]	Expiry date of holding period for shares granted	
BNP Paribas SA [(1)]	2007-2008	-	-	-	-	658
BNP Paribas SA	06/04/2009	2,247	359,930	10/04/2012	10/04/2014	359,062
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	267,486
BNP Paribas SA	05/03/2010	2,536	510,445	05/03/2013	05/03/2015	501,337
BNP Paribas SA	05/03/2010	2,661	487,570	05/03/2014	05/03/2014	470,305
BNP Paribas SA	04/03/2011	2,574	541,415	04/03/2014	04/03/2016	539,285
BNP Paribas SA	04/03/2011	2,743	499,035	04/03/2015	04/03/2015	495,435
Total shares outstanding at end of period						**2,633,568**

(1) The vesting date for certain shares has been deferred due to the beneficiaries' absence on the date initially scheduled.
(2) The number of shares has been adjusted for the pre-emptive subscription rights allotted on 30 September 2009

- Movements over the past two years

Stock subscription option plans

	2011		2010	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	**28,752,600**	58.05	**28,041,693**	58.15
Options granted during the period	2,296,820	56.45	2,423,700	51.20
Options exercised during the period	(2,770,177)	46.17	(1,117,744)	42.91
Options expired during the period	(769,618)		(595,049)	
Options outstanding at 31 December	**27,509,625**	58.67	**28,752,600**	58.05
Options exercisable at 31 December	**16,722,292**	61.99	**16,287,106**	55.62

The average quoted stock market price for the option exercise period in 2011 was EUR 54.84 (EUR 55.56 in 2010).

- Share award plans

	2011	2010
	Number of shares	Number of shares
Shares outstanding at 1 January	**1,637,867**	**1,525,322**
Shares granted during the period	1,040,450	998,015
Shares vested during the period	(2,392)	(865,543)
Shares expired during the period	(42,357)	(19,927)
Shares outstanding at 31 December	**2,633,568**	**1,637,867**

SHARES SUBSCRIBED OR PURCHASED BY EMPLOYEES UNDER THE COMPANY SAVINGS PLAN

	Year to 31 Dec. 2011	Year to 31 Dec. 2010
Date plan announced	11 May 2011	12 May 2010
Quoted price of BNP Paribas shares at date plan announced (in euros)	54.23	51.32
Number of shares issued or transferred	6,315,653	3,700,076
Purchase or subscription price (in euros)	42.40	42.00
Five-year risk-free interest rate	2.76%	1.90%
Five-year borrowing cost	7.63%	7.13%
Borrowing cost during the holding period	25.14%	22.12%

The Group did not recognise an expense in relation to the Company Savings Plan as the discount granted to employees subscribing shares under this plan represented a negligible financial expense for BNP Paribas when valued taking into account the five-year compulsory holding period applicable to the shares purchased.

Of the total number of BNP Paribas Group employees who were offered the opportunity of buying shares under the Plan in 2011, 36% accepted the offer and 64% turned it down.

8. ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

- Resolutions of the Shareholders' General Meeting valid for 2011

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 2011:

Resolutions adopted at Shareholders' General Meetings		Use of authorisation in 2011
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 on the date that the Board of Directors decided the award, i.e. less than 0.5% a year.* *This authorisation was granted for a period of 38 months and was nullified by the 15th resolution of the Shareholders' General Meeting of 11 May 2011*	1,040,450 free shares awarded at the Board meeting of 4 March 2011
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 on the date that the Board of Directors decided the award, 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 and was nullified by the 16th resolution of the Shareholders' General Meeting of 11 May 2011*	2,296,820 stock subscription options granted at the Board meeting of 4 March 2011
Shareholders' General Meeting of 12 May 2010 (5th resolution)	Authorisation given to the Board of Directors to set up an ordinary share buyback programme for the Company until it holds at most 10% of the shares making up the share capital Said acquisitions of shares at a price not exceeding EUR 75 would be intended to fulfil several objectives, notably including: - honouring obligations arising from the issue of share equivalents, stock option programmes, the award of free shares, the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans; - cancelling shares following authorisation by the Shareholders' General Meeting of 12 May 2010 (20th resolution); - covering any allocation of shares to the employees of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L. 233-16 of the French Commercial Code, - for retention or remittance in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions, - in connection with a market-making agreement complying with the Autorité des Marchés Financiers' Code of Ethics, - for asset and financial management purposes. This authorisation was granted for a period of 18 months and was nullified by the 5th resolution of the Shareholders' General Meeting of 11 May 2011	Under the market-making agreement, 1,319,710 shares with a par value of EUR 2 were acquired and 1,295,795 shares with a par value of EUR 2 were sold between 1 January 2011 and 10 May 2011

Shareholders' General Meeting of 12 May 2010 (12th resolution)	Authorisation to issue ordinary shares and share equivalents with pre-emptive rights for existing shareholders maintained. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 1 billion (representing 500 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 10 billion.* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (13th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, and a priority subscription period granted. *The par value of the capital increases that may be carried out immediately and/or in the future by virtue of this authorisation may not exceed EUR 350 million (representing 175 million shares).* *The par value of any debt instruments giving access to the capital of BNP Paribas that may be issued by virtue of this authorisation may not exceed EUR 7 billion.* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (14th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to public exchange offer. *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed EUR 350 million.* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (15th resolution)	Authorisation to issue ordinary shares and share equivalents, with pre-emptive rights for existing shareholders waived, in consideration for securities tendered to contributions of unlisted shares (up to a maximum of 10% of the capital) *The par value of the capital increases that may be carried out on one or more occasions by virtue of this authorisation may not exceed 10% of the number of shares comprising the issued capital of BNP Paribas on the date of the decision by the Board of Directors.* *This authorisation was granted for a period of 26 months*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (16th resolution)	Blanket limit on authorisations to issue shares with pre-emptive rights for existing shareholders waived. *The maximum par value of all issues made with pre-emptive rights for existing shareholders waived by virtue of the authorisations granted under the 13th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 350 million for shares immediately and/or in the future and EUR 7 billion for debt instruments.*	Not applicable
Shareholders' General Meeting of 12 May 2010 (17th resolution)	Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital. *Authorisation was given to increase the issued capital within the limit of a maximum par value of EUR 1 billion on one or more occasions, by capitalising all or part of the retained earnings, profits or additional paid-in capital, successively or simultaneously, through the issuance and award of free ordinary shares, through an increase in the par value of existing shares, or through a combination of these two methods.* *This authorisation was granted for a period of 26 months.*	This authorisation was not used during the period
Shareholders' General Meeting of 12 May 2010 (18th resolution)	Blanket limit on authorisations to issue shares with or without pre-emptive rights for existing shareholders. *The maximum par value of all issues made with or without pre-emptive rights for existing shareholders by virtue of the authorisations granted under the 12th to 15th resolutions of the Shareholders' General Meeting of 12 May 2010 may not exceed EUR 1 billion for shares immediately and/or in the future and EUR 10 billion for debt instruments.*	Not applicable

Shareholders' General Meeting of 12 May 2010 (19th resolution)	Authorisation granted to the Board of Directors to carry out transactions reserved for members of the BNP Paribas Group's Corporate Savings Plan in the form of new share issues and/or sales of reserved shares. *Authorisation was given to increase the share capital within the limit of a maximum par value of EUR 46 million on one or more occasions by issuing ordinary shares, with pre-emptive rights for existing shareholders waived, reserved for members of the BNP Paribas Group's Corporate Savings Plan.* *This authorisation was granted for a period of 26 months*	6,315,653 new shares with a par value of EUR 2 issued on 13 July 2011
Shareholders' General Meeting of 12 May 2010 (20th resolution)	Authorisation to reduce the share capital by cancelling shares. *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares in issue on the transaction date.* *Full powers were delegated to complete the capital reduction and deduct the difference between the purchase cost of the cancelled shares and their par value from additional paid-in capital and reserves available for distribution, including from the legal reserve in respect of up to 10% of the capital cancelled.* *This authorisation was granted for a period of 18 months and was nullified by the 17th resolution of the Shareholders' General Meeting of 11 May 2011.*	This authorisation was not used during the period
Shareholders' General Meeting of 11 May 2011 (5th resolution)	Authorisation given to the Board of Directors to set up a share buyback programme for the Company until it holds at most 10% of the shares making up the share capital. *Said acquisitions of shares at a price not exceeding EUR 75 (identical to the previous resolution) would be intended to fulfil several objectives, notably including:* *- honouring obligations arising from the issue of share equivalents, stock option programmes, the award of free shares, the award or sale of shares to employees in connection with the employee profit-sharing scheme, employee share ownership plans or corporate savings plans;* *- cancelling shares following authorisation by the Shareholders' General Meeting of 11 May 2011 (17th resolution of the Shareholders' General Meeting of 11 May 2011);* *- covering any allocation of shares to the employees and corporate officers of BNP Paribas and companies exclusively controlled by BNP Paribas within the meaning of Article L. 233-16 of the French Commercial Code,* *- for retention or remittance in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions,* *- in connection with a market-making agreement complying with the Autorité des Marchés Financiers' Code of Ethics,* *- for asset and financial management purposes.* *This authorisation was granted for a period of 18 months and replaces that given by the 5th resolution of the Shareholders' General Meeting of 12 May 2010.*	Excluding the market-making agreement, 14,684,591 shares with a par value of EUR 2 were purchased in August and September 2011. Under the market-making agreement, 1,290,651 shares with a par value of EUR 2 were acquired and 1,234,575 shares with a par value of EUR 2 were sold between 11 May 2011 and 31 December 2011
Shareholders' General Meeting of 11 May 2011 (15th resolution)	Authorisation to allot performance shares to the Group's employees and corporate officers *The shares awarded may be existing shares or new shares to be issued and may not exceed 1.5% of BNP Paribas' share capital, i.e. less than 0.5% a year.* *This authorisation was granted for a period of 38 months and replaces that given by the 21st resolution of the Shareholders' General Meeting of 21 May 2008.*	This authorisation was not used during the period
Shareholders' General Meeting of 11 May 2011 (16th resolution)	*Authorisation to grant stock subscription or purchase options to corporate officers and certain employees* *The number of options granted may not exceed 3% of BNP Paribas' share capital, i.e. less than 1% a year. This is a blanket limit covering both the 15th and 16th resolutions of the Shareholders' General Meeting of 11 May 2011.* *This authorisation was granted for a period of 38 months and replaces that given by the 22nd resolution of the Shareholders' General Meeting of 21 May 2008*	This authorisation was not used during the period

Shareholders' General Meeting of 11 May 2011 (17th resolution)	*Authorisation granted to the Board of Directors to reduce the share capital by cancelling shares* *Authorisation was given to cancel on one or more occasions through a reduction in the share capital all or some of the shares that BNP Paribas holds and that it may come to hold, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the total number of shares at the issue 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 20th resolution of the Shareholders' General Meeting of 12 May 2010.*	This authorisation was not used during the period

- **Share capital transactions**

Operations affecting share capital	Number of shares	Par value (in euros)	in euros	Date of authorisation by Shareholders'	Date of decision by Board of Directors	Date from which shares carry dividend
Number of shares outstanding at 31 December 2009	**1,185,281,764**	**2**	**2,370,563,528**			
Increase in share capital by exercise of stock subscription options	595,215	2	1,190,430	(1)	(1)	01 January 09
Increase in share capital by exercise of stock subscription options	522,529	2	1,045,058	(1)	(1)	01 January 10
Capital decrease	(600,000)	2	(1,200,000)	13 May 09	05 March 10	-
Capital increase arising on the merger of Fortis Bank France	354	2	708	12 May 10	12 May 10	01 January 10
Capital increase arising on the payment of a stock dividend	9,160,218	2	18,320,436	12 May 10	12 May 10	01 January 10
Capital increase reserved for members of the Company Savings Plan	3,700,076	2	7,400,152	12 May 10	12 May 10	01 January 10
Number of shares outstanding at 31 December 2010	**1,198,660,156**	**2**	**2,397,320,312**			
Increase in share capital by exercise of stock subscription options	2,736,124	2	5,472,248	(1)	(1)	1 January 2010
Increase in share capital by exercise of stock subscription options	34,053	2	68,106	(1)	(1)	1 January 2011
Capital increase reserved for members of the Company Savings Plan	6,315,653	2	12,631,306	12 May 2010	11 May 2011	1 January 2011
Number of shares outstanding at 31 December 2011	**1,207,745,986**	**2**	**2,415,491,972**			

(1) Various resolutions voted in the Shareholders' General Meetings and decisions of the Board of Directors authorising the granting of stock subscription options that were exercised during the period.

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

	Proprietary transactions		Trading account transactions		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2009	3,648,316	211	(4,404,309)	(246)	(755,993)	(35)
Acquisitions	2,609,576	140			2,609,576	140
Disposals	(1,806,987)	(92)			(1,806,987)	(92)
Shares delivered to employees	(921,772)	(55)			(921,772)	(55)
Capital decrease	(600,000)	(40)			(600,000)	(40)
Other movements	(14,955)	(2)	(95,485)	32	(110,440)	30
Shares held at 31 December 2010	2,914,178	162	(4,499,794)	(214)	(1,585,616)	(52)
Acquisitions	17,294,952	614			17,294,952	614
Disposals	(2,530,370)	(127)			(2,530,370)	(127)
Shares delivered to employees	(13,464)	(1)			(13,464)	(1)
Other movements	(1,700,548)	(89)	(1,580,236)	30	(3,280,784)	(59)
Shares held at 31 December 2011	15,964,748	559	(6,080,030)	(184)	9,884,718	375

At 31 December 2011, the BNP Paribas group was a net buyer of 9,884,718 BNP Paribas shares representing an amount of EUR 375 million, which was recognised as a reduction in equity.

During 2011, BNP Paribas SA acquired on the market, outside the market-making agreement, 12,034,091 shares at an average price of EUR 31.39 per share with a par value of EUR 2, with the intention of cancelling these shares, and 2,650,500 shares at an average price of EUR 41.62 per share with a par value of EUR 2, with the aim of honouring the obligations relating to the allocation of shares to employees.

Under the Bank's market-making agreement with BNP Paribas share in the Italian market, and in line with the Code of Ethics recognised by the AMF, BNP Paribas SA bought back 2,610,361 shares during 2011 at an average share price of EUR 48.28, and sold 2,530,370 treasury shares at an average share price of EUR 48.38. At 31 December 2011, 229,587 shares worth EUR 6.9 million were held by BNP Paribas under this agreement.

From 1 January to 31 December 2011, 2,392 BNP Paribas shares were delivered following the definitive award of free shares to their beneficiaries.

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.

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

- Preferred shares issued by the Group's foreign subsidiaries

In January 2002, BNP Paribas Capital Trust IV, a subsidiary under the exclusive control of the Group, made a EUR 660 million issue of non-voting undated non-cumulative preferred shares governed by the laws of the United States, which did not dilute BNP Paribas ordinary shares. The shares pay a fixed-rate dividend for a period of ten years. They are redeemable at the issuer's discretion after a ten-year period, and thereafter at each coupon date, with unredeemed shares paying a Euribor-indexed dividend. The issuer has the option of not paying dividends on these preferred shares if no dividends are paid on BNP Paribas SA ordinary shares and no coupons are paid on preferred share equivalents (Undated Super Subordinated Notes) in the previous year. Unpaid dividends are not carried forward.

In January 2003, BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group, made a EUR 700 million issue of undated non-cumulative preferred shares. The shares pay an annual fixed rate dividend. They are redeemable at the end of a 10-year period and thereafter at each coupon date. Shares not redeemed in 2013 will pay an Euribor-indexed quarterly dividend.

In 2010 and 2011, USD 500 million and EUR 500 million of undated securities of the same type as those described above were redeemed

In 2003 and 2004, the LaSer-Cofinoga sub-group, which is proportionately consolidated by BNP Paribas made three issues of undated non-voting preferred shares through special purpose entities governed by UK law and exclusively controlled by the LaSer-Cofinoga sub-group. These shares pay a non-cumulative preferred dividend for a ten-year period, at a fixed rate for those issued in 2003 and an indexed rate for the 2004 issue. After this ten-year period, they will be redeemable at par at the issuer's discretion at the end of each quarter on the coupon date, and the dividend payable on the 2003 issue will become Euribor-indexed.

- Preferred shares issued by the Group's foreign subsidiaries

Issuer	Date of issue	Currency	Amount (in million of euros)	Rate and term before 1st call date		Rate after 1st call date
BNPP Capital Trust IV	January 2002	EUR	660	6.342%	10 years	3-month Euribor + 2.33%
BNPP Capital Trust VI	January 2003	EUR	700	5.868%	10 years	3-month Euribor + 2.48%
Cofinoga Funding I LP	March 2003	EUR	100(1)	6.82%	10 years	3-month Euribor + 3.75%
Cofinoga Funding II LP	January and May 2004	EUR	80(1)	TEC 10 (2) + 1.35%	10 years	TEC 10 (2) + 1.35%
Total			**1,395 (3)**			

(1) Before application of the proportionate consolidation rate.

(2) TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.
(3) net of shares held in treasury by Group entities and after applying the percentage of the Group's stake in Cofinoga.

The proceeds of these issues are recorded under "Minority interests" in the balance sheet, and the dividends are reported under "Minority interests" in the profit and loss account.

At 31 December 2011, the BNP Paribas Group held EUR 55 million in preferred shares (EUR 58 million at 31 December 2010), deducted from minority interests.

- Undated Super Subordinated Notes issued by BNP Paribas SA

Since 2005, BNP Paribas SA has carried out nineteen issues of Undated Super Subordinated Notes representing a total amount of EUR 10,612 million. The notes pay a fixed or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date. Some of these issues will pay a coupon indexed to Euribor or Libor if the notes are not redeemed at the end of this period.

Fortis Bank France, company absorbed by BNP Paribas SA on 12 May 2010, carried out a EUR 60 million issue during December 2007 of Undated Super Subordinated Notes. This issue offers investors a floating rate of interest. These Undated Super Subordinated Notes were redeemed early on 23 May 2011.

In the fourth quarter of 2011, the following transactions were carried out in relation to undated super subordinated notes:

- a public offer to exchange USD 1,350 million of notes issued in June 2005 for new non-subordinated bonds paying interest at 3-month USD Libor + 2.75%. This transaction reduced outstanding debt by USD 280 million, generating a gross gain of EUR 59 million in terms of equity.

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

The table below summarises the characteristics of these various issues

Undated Super Subordinated Notes

Date of issue	Currency	Amount (in millions of units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,070	semi-annual	5.186%	10 years	USD 3-month Libor + 1.680%
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.250%	6 years	6.250%
April 2006	EUR	549	annual	4.730%	10 years	3-month Euribor + 1.690%
April 2006	GBP	450	annual	5.945%	10 years	GBP 3-month Libor + 1.130%
July 2006	EUR	150	annual	5.450%	20 years	3-month Euribor + 1.920%
July 2006	GBP	163	annual	5.945%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	638	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.500%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	650	annual	8.667%	5 years	3-month Euribor + 4.050%
September 2008	EUR	100	annual	7.570%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
Total euro-equivalent value at 31 December 2011		**7,261** (1)				

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

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes if no dividends were paid on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents in the previous year. Unpaid interest is not carried forward.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital–which is not fully offset by a capital increase or any other equivalent measure–the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount. However, in the event of the liquidation of BNP Paribas SA, the amount due to the holders of these notes will represent their original nominal value irrespective of whether or not their nominal value has been reduced.

The proceeds from these issues are recorded in equity under "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 2011, 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. 2011	Year to 31 Dec. 2010
Net income used to calculate basic and diluted earnings per ordinary share (in millions of euros) (1)	**5,768**	**7,531**
Weighted average number of ordinary shares outstanding during the year	**1,197,356,577**	**1,188,848,011**
Effect of potentially dilutive ordinary shares	**2,061,675**	**2,481,442**
- Stock subscription plan (2)	706,705	1,668,736
- Share award plan (2)	1,324,406	773,515
- Stock purchase plan	30,565	39,191
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,199,418,253**	**1,191,329,452**
Basic earnings per share (in euros)	**4.82**	**6.33**
Diluted earnings per share (in euros)	**4.81**	**6.32**

(1) Net income used to calculate basic and diluted earnings per share is net income per the profit and loss account, adjusted for the remuneration on the preferred shares and the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends.

(2) See note 7.c Share-base payment

The dividend per share paid in 2011 out of 2010 net income amounted to EUR 2.1 compared with EUR 1.5 per share paid in 2010 out of 2009 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						
Retail Banking								
Retail Banking - France								
Banque de Bretagne		France	31/12/2011	Merger				
			31/12/2010		Full		100.00%	100.00%
Banque de Wallis et Futuna	*	France			Full		50.98%	50.98%
BNP Paribas Developpement SA		France			Full		100.00%	100.00%
BNP Paribas Factor	*	France			Full		100.00%	100.00%
BNP Paribas Factor Portugal		Portugal			Full		100.00%	100.00%
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 Nouvelle Caledonie	*	France			Full		100.00%	100.00%
BNP Paribas Réunion	*	France			Full		100.00%	100.00%
Compagnie pour le Financement des Loisirs - Cofiloisirs		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Equity		44.62%	44.62%
			31/12/2009		Equity		33.33%	33.33%
Fimagen Holding SA		France	31/12/2010	Merger				
Fortis Banque France SA		France	31/12/2010	Merger				
Fortis Commercial Finance SAS		France	31/12/2011	Purchase	Full		100.00%	100.00%
Fortis Gestion Privée		France	31/12/2010	Merger				
Fortis Mediacom Finance		France	31/12/2011	Merger				
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		99.99%	74.91%
GIE Services Groupe Fortis France		France	31/12/2010	< thresholds				
GIE Immobilier Groupe Fortis France		France	31/12/2010	< thresholds				
BeLux Retail Banking								
Alpha Card SCRL (groupe)		Belgium			Equity		50.00%	37.47%
Alsabail		France	31/12/2011	Disposal				
			31/12/2010		Equity		40.68%	21.74%
Banking Funding Company SA		Belgium	31/12/2010	< thresholds				
Banque de La Poste SA		Belgium			Prop.		50.00%	37.47%
Belgolaise SA		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	100.00%	74.93%
BNP Paribas Fortis Factor		Belgium			Full		100.00%	74.94%
BNP Paribas Fortis Funding SA (ex- Fortis Luxembourg Finance SA)		Luxembourg			Full		100.00%	74.93%
Brand & Licence Company SA		Belgium	31/12/2010	< thresholds				
Certifimmo V SA		Belgium	31/12/2010	< thresholds				
Comptoir Agricole de Wallonie		Belgium	31/12/2010	< thresholds				
Credissimo		Belgium	31/12/2010	< thresholds				
Credissimo Hainaut SA		Belgium	31/12/2010	< thresholds				
Crédit pour Habitations Sociales		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	81.66%	61.19%
Demetris NV		Belgium			Equity	1	100.00%	74.93%
Dikodi BV		Netherlands	31/12/2010	< thresholds				
Europay Belgium		Belgium			Equity		39.88%	29.88%
Fortis Banque SA (BNP Paribas Fortis)		Belgium			Full		74.93%	74.93%
Fortis Commercial Finance Deutschland BV		Netherlands	31/12/2011	Purchase	Equity		100.00%	74.93%
Fortis Commercial Finance GMBH		Germany	31/12/2011	Purchase	Equity		100.00%	74.93%
Fortis Commercial Finance Holding NV		Netherlands	31/12/2011	Purchase	Full		100.00%	74.93%
Fortis Commercial Finance Ltd.		UK	31/12/2011	Purchase	Equity		100.00%	74.93%
Fortis Commercial Finance NV		Belgium	31/12/2011	Purchase	Full		100.00%	74.93%
Fortis Finance Belgium S.C.R.L.		Belgium			Full		100.00%	74.93%
FV Holding N.V.		Belgium			Equity		40.00%	29.97%
Het Werkmanshuis NV		Belgium	31/12/2010	< thresholds				
Immobilière Sauvenière SA		Belgium			Equity	1	100.00%	74.93%
Isabel SA		Belgium	31/12/2010	< thresholds				
La Propriété Sociale de Binche-Morlanwelz SA		Belgium	31/12/2010	< thresholds				
Landbouwkantoor van Vlaanderen NV		Belgium	31/12/2010	< thresholds				
Nieuwe Maatschappij Rond Den Heerd NV		Belgium	31/12/2010	< thresholds				
Société Alsacienne de développement et d'expansion		France			Full		100.00%	53.43%
Sowo Investment SA		Belgium	31/12/2010	< thresholds				
Visa Belgium SRCL		Belgium	31/12/2010	< thresholds				
Special Purpose Entities								
BASS Master Issuer NV		Belgium			Full			
Esmée Master Issuer		Belgium			Full			
Park Mountain SME 2007-I BV		Netherlands	31/12/2010	Liquidation				
Retail Banking - Italy (BNL Banca Commerciale)								
Artigiancassa SPA		Italy			Full		73.86%	73.86%
Artigiansoa - Org. Di Attestazione SPA		Italy	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	80.00%	59.08%
Banca Nazionale del Lavoro SPA		Italy			Full		100.00%	100.00%
BNL Finance SPA		Italy			Full		100.00%	100.00%
BNL Positivity SRL		Italy			Full		51.00%	51.00%
BNP Paribas Personal Finance SPA		Italy			Full		100.00%	100.00%
International Factors Italia SPA - Ifitalia		Italy			Full		99.65%	99.65%
Serfactoring SPA		Italy	31/12/2011	New thresholds		4		
			31/12/2010		Equity		27.00%	26.94%
Special Purpose Entities								
EMF IT-2008-1 SRL		Italy			Full			
UCB Service SRL		Italy	31/12/2011	Merger				
			31/12/2010		Full			
Vela ABS		Italy			Full	2		
Vela Home SRL		Italy			Full			
Vela Mortgages SRL		Italy			Full			
Vela Public Sector SRL		Italy			Full			
Retail Banking - United States of America								
1897 Services Corporation		U.S.A			Full		100.00%	100.00%
521 South Seventh Street LLC		U.S.A	31/12/2011		Full		69.23%	69.23%
			31/12/2010	Incorporation	Full		69.23%	69.23%
BancWest Corporation		U.S.A			Full		100.00%	100.00%
Bancwest Investment Services, Inc.		U.S.A			Full		100.00%	100.00%
Retail Banking - United States of America (cont'd)								
Bank of the West Business Park Association LLC		U.S.A			Full		38.00%	38.00%
Bank of the West		U.S.A			Full		100.00%	100.00%
Bishop Street Capital Management Corporation		U.S.A			Full		100.00%	100.00%
BW Insurance Agency, Inc.		U.S.A			Full		100.00%	100.00%
BW Leasing, Inc.		U.S.A			Full		100.00%	100.00%
Center Club, Inc.		U.S.A			Full		100.00%	100.00%
CFB Community Development Corporation		U.S.A			Full		100.00%	100.00%
Claas Financial Services LLC		U.S.A	31/12/2011		Full		75.90%	63.64%
			31/12/2010	Partial disposal	Full		75.90%	63.64%
			31/12/2009		Full		100.00%	80.45%
Commercial Federal Affordable Housing, Inc.		U.S.A			Full		100.00%	100.00%
Commercial Federal Community Development Corporation		U.S.A			Full		100.00%	100.00%
Commercial Federal Insurance Corporation		U.S.A			Full		100.00%	100.00%
Commercial Federal Investments Services, Inc.		U.S.A			Full		100.00%	100.00%
Commercial Federal Realty Investors Corporation		U.S.A			Full		100.00%	100.00%
Commercial Federal Service Corporation		U.S.A			Full		100.00%	100.00%
Community First Insurance, Inc.		U.S.A	31/12/2010	Dissolution				
Community Service, Inc.		U.S.A			Full		100.00%	100.00%
Equity Lending Inc.		U.S.A			Full		100.00%	100.00%
Essex Credit Corporation		U.S.A			Full		100.00%	100.00%
FHB Guam Trust Co.		U.S.A	31/12/2011	Incorporation	Full		100.00%	100.00%
FHL Lease Holding Company Inc.		U.S.A			Full		100.00%	100.00%
FHL SPC One, Inc.		U.S.A			Full		100.00%	100.00%
First Bancorp		U.S.A			Full		100.00%	100.00%
First Hawaïan Bank		U.S.A			Full		100.00%	100.00%
First Hawaiian Leasing, Inc.		U.S.A			Full		100.00%	100.00%
First National Bancorporation		U.S.A			Full		100.00%	100.00%
First Santa Clara Corporation		U.S.A			Full		100.00%	100.00%
FTS Acquisition LLC		U.S.A	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Incorporation	Full		100.00%	100.00%
Glendale Corporate Center Acquisition LLC		U.S.A	31/12/2011		Full		50.00%	50.00%
			31/12/2010	Incorporation	Full		50.00%	50.00%
KIC Technology1, Inc.		U.S.A	31/12/2010	Dissolution				
KIC Technology2, Inc.		U.S.A	31/12/2010	Dissolution				
KIC Technology3, Inc.		U.S.A	31/12/2010	Dissolution				
Laveen Village Center Acquisition LLC		U.S.A	31/12/2011		Full		58.33%	58.33%
			31/12/2010	Incorporation	Full		58.33%	58.33%
Liberty Leasing Company		U.S.A			Full		100.00%	100.00%
Mountain Falls Acquisition Corporation		U.S.A			Full		100.00%	100.00%
Real Estate Delivery 2 Inc.		U.S.A			Full		100.00%	100.00%
Riverwalk Village Three Holdings LLC		U.S.A	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Incorporation	Full		100.00%	100.00%
Santa Rita Townhomes Acquisition LLC		U.S.A	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Incorporation	Full		100.00%	100.00%
The Bankers Club, Inc.		U.S.A			Full		100.00%	100.00%
Ursus Real estate inc		U.S.A			Full		100.00%	100.00%
Special Purpose Entities								
Beacon Hill		U.S.A	31/12/2010	Purchase & Disposal				
Commercial Federal Capital Trust 2		U.S.A			Full			
Commercial Federal Capital Trust 3		U.S.A	31/12/2011	Dissolution				
			31/12/2010		Full			
C-One Leasing LLC		U.S.A	31/12/2011	Disposal				
			31/12/2010		Full			
Equipment Lot Bombardier 1997A-FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
Equipment Lot FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
Equipment Lot Siemens 1997A-FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
Equipment Lot Siemens 1998A-FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
First Hawaiian Capital 1		U.S.A			Full			
LACMTA Rail Statutory Trust (FH1)		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
Lexington Blue LLC		U.S.A	31/12/2011	Passing qualifying thresholds	Equity			
MNCRC Equipement Lot		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
NYCTA Equipement Lot		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
Southwest Airlines 1993 Trust N363SW		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
ST 2001 FH-1		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
SWB 98-1		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
SWB 99-1		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
VTA 1998-FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
1997-LRV-FH		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
1999-FH-1 (SNCF)		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
1999-FH-2 (SNCF)		U.S.A	31/12/2011	Passing qualifying thresholds	Full			
BNP Paribas Personal Finance								
Alpha Crédit SA		Belgium			Full		100.00%	74.93%
Axa Banque Financement		France			Equity		35.00%	35.00%
Banco BGN SA		Brazil			Full		100.00%	100.00%
Banco BNP Paribas Personal Finance SA		Portugal			Full		100.00%	100.00%
Banco Cetelem Argentina		Argentina			Full		100.00%	100.00%
Banco Cetelem SA		Spain			Full		100.00%	100.00%
Banco de Servicios Financieros SA		Argentina	31/12/2011	Passing qualifying thresholds	Equity		39.92%	39.92%
BGN Holding Financeira Limitada		Brazil	31/12/2010	Merger				

* 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 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
BNP Paribas Personal Finance (cont'd)								
Bieffe 5 SPA		Italy	31/12/2011	Additional purchase	Full		100.00%	100.00%
			31/12/2010		Full		100.00%	75.00%
BNP Paribas Personal Finance		France			Full		100.00%	100.00%
BNP Paribas Personal Finance EAD		Bulgaria			Full		100.00%	100.00%
BNP Paribas Personal Finance Belgium		Belgium	31/12/2010	Disposal				
BNP Paribas Personal Finance BV		Netherlands			Full		100.00%	100.00%
BNP Paribas Personal Finance SA de CV		Mexico			Full		100.00%	100.00%
Cafineo	*	France			Full		50.99%	50.78%
Carrefour Banque (ex-Société des Paiement Pass)		France			Equity		39.17%	39.17%
Carrefour Promotora de Vendas e Participaçoes (CPVP) Limitada		Brazil			Equity		40.00%	40.00%
Cetelem Algérie		Algeria			Full		100.00%	100.00%
Cetelem America		Brazil			Full		100.00%	100.00%
Cetelem Asia		Hong-Kong	31/12/2010	Disposal				
Cetelem Bank SA (Palier Laser)		Poland	31/12/2010	Merger				
Cetelem Benelux BV		Netherlands			Full		100.00%	100.00%
Cetelem Brésil		Brazil			Full		100.00%	100.00%
Cetelem CR		Czech Republic			Full		100.00%	100.00%
Cetelem Holding Participaçoes Limitada		Brazil	31/12/2010	Merger				
Cetelem IFN SA		Romania			Full		100.00%	100.00%
Cetelem Latin America Holding Participaçoes Ltda		Brazil	31/12/2010		Full		100.00%	100.00%
Cetelem Processing Services (Shanghai) Ltd.		China	31/12/2010	Disposal				
Cetelem Serviços Limitada		Brazil	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	100.00%	100.00%
Cetelem Servicios SA de CV		Mexico	31/12/2011	New thresholds		4	100.00%	100.00%
			31/12/2010		Full		100.00%	100.00%
Cetelem Slovensko		Slovakia			Full		100.00%	100.00%
Cetelem Thailande		Thailand	31/12/2011	Disposal				
			31/12/2010		Full		100.00%	100.00%
CMV Médiforce	*	France			Full		100.00%	100.00%
Cofica Bail	*	France			Full		100.00%	100.00%
Cofinoga Portugal SGPS		Portugal	31/12/2010	Merger				
Cofiplan	*	France			Full		99.99%	99.99%
Commerz Finanz GmbH		Germany			Full		50.10%	50.10%
Cosimo		France	31/12/2011	Passing qualifying thresholds	Full		100.00%	100.00%
Credifin Banco SA		Portugal	31/12/2010	Merger				
Credirama SPA		Italy	31/12/2011	Additional purchase & new thresholds	Equity	4	51.00%	51.00%
			31/12/2010		Full		51.00%	38.25%
Credisson Holding Ltd.		Cyprus			Full		100.00%	100.00%
Crédit Moderne Antilles Guyane	*	France			Full		100.00%	100.00%
Crédit Moderne Océan Indien	*	France			Full		97.81%	97.81%
Direct Services		Bulgaria			Full		100.00%	100.00%
Domofinance SA	*	France			Full		55.00%	55.00%
Effico		France			Full		99.96%	99.96%
Effico Iberia		Spain			Full		100.00%	100.00%
Effico Portugal		Portugal			Equity	1	100.00%	100.00%
Eos Aremas Belgium SA		Belgium			Equity		49.97%	37.44%
Eurocredito		Spain			Full		100.00%	100.00%
Facet	*	France			Full		100.00%	100.00%
Fideicomiso Financiero Cetelem 1		Argentina	31/12/2010	Liquidation				
Fidem	*	France			Full		51.00%	51.00%
Fimestic Expansion SA		Spain			Full		100.00%	100.00%
Finalia		Belgium			Full		51.00%	38.22%
Findomestic Banca SPA		Italy	31/12/2011	Additional purchase	Full		100.00%	100.00%
			31/12/2010		Full		75.00%	75.00%
Findomestic Banka a.d		Serbia	31/12/2011	Additional purchase	Full		100.00%	100.00%
			31/12/2010		Full		100.00%	75.00%
Geneve Credit & Leasing SA		Switzerland	30/06/2011	New thresholds		4		
			31/12/2010	Passing qualifying thresholds	Prop.		51.00%	38.22%
Gesellschaft fur Capital & Vermogensv. GmbH		Germany	31/12/2010	< thresholds				
Inkasso Kodat GmbH & Co. KG		Germany	31/12/2010	< thresholds				
KBC Pinto Systems		Belgium	31/12/2010	Disposal				
LaSer - Cofinoga (Groupe)		France			Prop.		50.00%	50.00%
Loisirs Finance	*	France			Full		51.00%	51.00%
Magyar Cetelem Bank Zrt.		Hungary			Full		100.00%	100.00%
Merkur Beteiligungs und Verwaltungsgesellschaft mit Beschränkter Haftung		Germany	31/12/2010	< thresholds				
Monabanq		France	31/12/2010	Disposal				
Natixis Financement		France			Equity		33.00%	33.00%
Nissan Finance Belgium NV		Belgium	31/12/2011		Full		100.00%	77.32%
			31/12/2010	Additional purchase	Full		100.00%	77.32%
			31/12/2009	Purchase	Full		100.00%	69.55%
Norrsken Finance	*	France			Full		51.00%	51.00%
Prestacomer SA de CV		Mexico			Full		100.00%	100.00%
Prêts et Services SAS	*	France			Full		100.00%	100.00%
Projeo	*	France			Full		51.00%	51.00%
Servicios Financieros Carrefour EFC		Spain			Equity		37.28%	39.94%
Submarino Finance Promotora de Credito Limitada		Brazil			Prop.		50.00%	50.00%
Sundaram Home Finance Ltd.		India	31/12/2011	New thresholds	Equity	4	49.90%	49.90%
			31/12/2010		Prop.		49.90%	49.90%
TEB Tuketici Finansman AS		Turkey	31/12/2011	Additional purchase	Full		92.79%	90.99%
			31/12/2010	Additional purchase	Full		90.00%	87.49%
			31/12/2009		Prop.		50.00%	50.00%
UCB Ingatlanhitel RT		Hungary			Full		100.00%	100.00%
UCB Suisse		Switzerland			Full		100.00%	100.00%
Union de Creditos Inmobiliarios - UCI (Groupe)		Spain			Prop.		50.00%	50.00%
Von Essen GmbH & Co. KG Bankgesellschaft		Germany			Full		100.00%	74.93%
Debt Investment Funds								
Domos 2011 - A et B		France	31/12/2011	Incorporation	Full			
FCC Retail ABS Finance - Noria 2005		France	31/12/2010	Dissolution				
FCC Retail ABS Finance - Noria 2008		France			Full			

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Debt Investment Funds (cont'd)							
FCC Retail ABS Finance - Noria 2009	France			Full			
FCC Domos 2008	France			Full			
FCC Master Domos	France			Full			
FCC Master Domos 5	France	31/12/2011	Liquidation				
		31/12/2010		Full			
FCC U.C.I 5 -18	Spain			Prop.			
FCC U.C.I 19	Spain	31/12/2011	Liquidation				
		31/12/2010		Prop.			
Fundo de Investimento EM Direitos Creditorios BGN Life	Brazil			Full			
Fundo de Investimento EM Direitos Creditorios BGN Premium	Brazil			Full			
Phedina Hypotheken 2010 BV	Netherlands	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
Phedina Hypotheken 2011-I BV	France	31/12/2011	Incorporation	Full			
Viola Finanza SRL	Italy			Full			
Equipment Solutions							
Ace Equipment Leasing	Belgium	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Additional purchase	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	53.43%
Ace Leasing	Belgium	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Additional purchase	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	53.43%
Ace Leasing BV	Netherlands	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Additional purchase	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	53.43%
AFL Lease BV	Netherlands	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Additional purchase	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	53.43%
Agrilease BV	Netherlands	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Additional purchase	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	53.43%
Albury Asset Rentals Ltd.	UK	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009	Purchase	Full		100.00%	100.00%
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH.	Germany	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009		Full		100.00%	100.00%
All In One Vermietung GmbH	Austria	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009		Full		100.00%	100.00%
Allstar Business Solutions Ltd.	UK	31/12/2011	Disposal				
		31/12/2010		Full		100.00%	100.00%
Antin Bail 2 (ex- Antin Bail)	France	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
Aprolis Finance	France	31/12/2011		Full		51.00%	43.08%
		31/12/2010	Partial disposal	Full		51.00%	43.08%
		31/12/2009		Full		51.00%	51.00%
Arius SA	France	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009		Full		100.00%	100.00%
Artegy Ltd.	UK	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009		Full		100.00%	100.00%
Artegy SAS	France	31/12/2011		Full		100.00%	84.48%
		31/12/2010	Partial disposal	Full		100.00%	84.48%
		31/12/2009		Full		100.00%	100.00%
Arval Austria GmbH	Austria			Full		100.00%	100.00%
Arval Belgium SA	Belgium			Full		100.00%	100.00%
Arval Benelux BV	Netherlands			Full		100.00%	100.00%
Arval Brasil Limitada	Brazil			Full		100.00%	100.00%
Arval Business Services Ltd.	UK			Full		100.00%	100.00%
Arval BV	Netherlands			Full		100.00%	100.00%
Arval Deutschland GmbH	Germany			Full		100.00%	100.00%
Arval ECL SAS	France			Full		100.00%	100.00%
Arval Hellas Car Rental SA	Greece			Equity	1	100.00%	100.00%
Arval Holding	France	31/12/2010	Merger				
Arval India Private Ltd.	India			Equity	1	100.00%	100.00%
Arval Ltd.	UK			Full		100.00%	100.00%
Arval Luxembourg	Luxembourg			Full		100.00%	100.00%
Arval Magyarorszag	Hungary	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Arval Maroc	Morocco			Full		100.00%	88.91%
Arval NV	Belgium			Full		100.00%	100.00%
Arval PHH Holdings Ltd.	UK			Full		100.00%	100.00%
Arval PHH Holdings UK Ltd.	UK			Full		100.00%	100.00%
Arval PHH Service Lease CZ	Czech Republic			Full		100.00%	100.00%
Arval OOO	Russia			Full		100.00%	100.00%
Arval Schweiz AG	Switzerland			Full		100.00%	100.00%
Arval Service Gmbh	Germany	31/12/2011	Purchase	Full		100.00%	100.00%
Arval Service Lease	France			Full		100.00%	100.00%
Arval Service Lease Aluger Operational Automoveis	Portugal			Full		100.00%	100.00%
Arval Service Lease Italia S. p. A.	Italy			Full		100.00%	100.00%
Arval Service Lease Polska sp. z o. o.	Poland			Full		100.00%	100.00%
Arval Service Lease Romania SRL	Romania			Equity	1	100.00%	100.00%
Arval Service Lease SA	Spain			Full		99.99%	99.99%
Arval Slovakia	Slovakia			Full		100.00%	100.00%
Arval Trading	France			Full		100.00%	100.00%
Arval UK Group Ltd.	UK			Full		100.00%	100.00%
Arval UK Ltd.	UK			Full		100.00%	100.00%
Autovalley	France	31/12/2011		Equity	1	100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Equity	1	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 - Entities excluded from the prudential scope of consolidation

3 - Entities consolidated under the equity method for prudential purposes

4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Barloworld Heftruck BV		Netherlands	31/12/2011		Equity		50.00%	42.24%
			31/12/2010	Partial disposal	Equity		50.00%	42.24%
			31/12/2009		Equity		50.00%	50.00%
BNP Paribas Finansal Kiralama AS (ex- Fortis Finansal Kiralama AS)		Turkey	31/12/2011	Dilution	Full		100.00%	83.23%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Fleet Holdings Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Lease Group	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group (Rentals) Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group BV		Netherlands	31/12/2011	Merger				
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group GmbH & Co KG		Austria	31/12/2011	New thresholds		4		
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group IFN		Romania	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	84.49%
BNP Paribas Lease Group KFT		Hungary	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Leasing Solutions SpA (ex-BNP Paribas Lease Group SPA)		Italy	31/12/2011		Full		100.00%	95.94%
			31/12/2010	Partial disposal	Full		100.00%	95.94%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Lizing RT (ex-BNP Paribas Lease Group RT)		Hungary	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Luxembourg SA (ex-Fortis Lease Luxembourg)		Luxembourg	31/12/201		Full		100.00%	84.47%
			31/12/2010	Additional purchase	Full		100.00%	84.47%
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Lease Group Netherlands BV		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group Polska SP z.o.o		Poland	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group PLC		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Lease Group SA Belgium		Belgium	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
BNP Paribas Leasing Solutions (ex-Fortis Lease Group SA)		Luxembourg	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Leasing Solutions NV (ex- Fortis Lease Nederland NV)		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
BNP Paribas Leasing Solutions Suisse SA (ex-Fortis Lease Suisse)		Switzerland	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
CA Motor Finance Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Captive Finance Ltd.		Hong-Kong	31/12/2010	< thresholds				
Captive Finance Taiwan Co. Ltd.		Taiwan	31/12/2010	< thresholds				
Claas Financial Services	*	France	31/12/2011		Full		60.11%	50.78%
			31/12/2010	Partial disposal	Full		60.11%	50.78%
			31/12/2009		Full		60.11%	60.11%
Claas Financial Services Inc.		U.S.A	31/12/2011		Full		100.00%	50.78%
			31/12/2010	Partial disposal	Full		100.00%	50.78%
			31/12/2009		Full		100.00%	60.11%
Claas Financial Services Ltd.		UK	31/12/2011		Full		51.00%	43.08%
			31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
CNH Capital Europe	*	France	31/12/2011		Full		50.10%	42.32%
			31/12/2010	Partial disposal	Full		50.10%	42.32%
			31/12/2009		Full		50.10%	50.10%
CNH Capital Europe BV		Netherlands	31/12/2011		Full		100.00%	42.32%
			31/12/2010	Passing qualifying thresholds	Full		100.00%	42.32%
CNH Capital Europe GmbH		Austria	31/12/2011		Full		100.00%	42.32%
			31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009	Passing qualifying thresholds	Full		100.00%	50.10%
CNH Capital Europe Ltd.		UK	31/12/2011		Full		100.00%	42.32%
			31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009		Full		100.00%	50.10%
Cofiparc SNC		France			Full		100.00%	100.00%
Commercial Vehicle Finance Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Dexia Location Longue Durée		France			Equity	1	51.00%	51.00%
Dialcard Fleet Services Ltd.		UK	31/12/2011	Dissolution				
			31/12/2010		Full		100.00%	100.00%
Diamond Finance UK Ltd.		UK	31/12/2011	Liquidation				
			31/12/2010	Partial disposal	Full		60.00%	50.69%
			31/12/2009		Full		60.00%	60.00%
Dreieck One Ltd.		Cayman Islands	31/12/2010	Dissolution				

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Elfa Auto		Luxembourg	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.16%
			31/12/2009	Purchase	Full		100.00%	53.43%
Equipment Lease BV		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
ES-Finance		Belgium	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Euro-Scribe SAS		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Prop.		50.00%	42.24%
			31/12/2009	Purchase	Equity		50.00%	26.71%
F.L. Zeebrugge		Belgium	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		75.00%	63.36%
			31/12/2009	Purchase	Full		75.00%	40.07%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Burtenbach KG		Germany	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		85.00%	7.64%
			31/12/2009	Purchase	Full		90.00%	3.21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Leverkusen KG		Germany	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Equity	1	85.00%	7.64%
			31/12/2009	Purchase	Full		90.00%	3.21%
Folea Grundstucksverwaltungs und Vermietungs GmbH & Co. Objekt Thalfingen		Germany	31/12/2010	< thresholds				
Folea Verwaltungs GmbH		Germany	31/12/2010	< thresholds				
Folea II Verwaltungs GmbH		Germany	31/12/2010	< thresholds				
Folea III Verwaltungs GmbH		Germany	31/12/2010	< thresholds				
Fortis Energy Leasing XI		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing X2		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing X3 BV		Netherlands	31/12/2011	Disposal				
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Energy Leasing XIV BV		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease		Belgium	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (China) Co Ltd.		China	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (France)	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease (Malaysia) Sdn. Bhd		Malaysia	31/12/2010	< thresholds				
Fortis Lease Car & Truck		Belgium	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Czech		Czech Republic	31/12/2011	Disposal				
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Danmark AS		Denmark	31/12/2010	< thresholds				
Fortis Lease Deutschland AG		Germany	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Group Services		Belgium	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Holding Norge AS		Norway	31/12/2010	< thresholds				
Fortis Lease Holdings UK Ltd.		UK	31/12/2010	< thresholds				
Fortis Lease Hong Kong Ltd.		Hong-Kong	31/12/2010	< thresholds				
Fortis Lease Hungaria Equipment Financing Financial Leasing Company		Hungary	31/12/2011		Equity	1	100.00%	84.48%
			31/12/2010	Additional purchase	Equity	1	100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Hungaria Real estate		Hungary	31/12/2010	< thresholds				
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company		Hungary	31/12/2011		Equity	1	100.00%	84.48%
			31/12/2010	Additional purchase	Equity	1	100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Iberia		Spain	31/12/2011	New thresholds	Equity	4	100.00%	82.44%
			31/12/2010	Additional purchase	Full		100.00%	82.44%
			31/12/2009	Purchase	Full		100.00%	58.01%
Fortis Lease Immobilier Suisse		Switzerland	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Norge AS		Norway	31/12/2010	Disposal				

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2 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag		Hungary	31/12/2011		Equity	1	100.00%	84.48%
			31/12/2010	Additional purchase	Equity	1	100.00%	84.48%
			31/12/2009	Purchase	Full	1	100.00%	53.43%
Fortis Lease Polska Sp.z.o.o.		Poland	31/12/2011	Partial disposal	Full		100.00%	74.84%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Portugal		Portugal	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Romania IFN SA		Romania	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease S.p.A.		Italy	31/12/2011	Merger				
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease Singapore Pte Ltd.		Singapore	31/12/2010	< thresholds				
Fortis Lease Sweden AB		Sweden	31/12/2010	Disposal				
Fortis Lease UK Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (1) Ltd.		UK	31/12/2011	New thresholds	Equity	4	100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (2) Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (3) Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (4) Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Lease UK (5) Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		90.00%	76.03%
			31/12/2009	Purchase	Full		90.00%	48.09%
Fortis Lease UK Retail Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Fortis Vastgoedlease BV		Netherlands	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Friedland Participation et Gestion		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Gestion et Location Holding		France			Full		100.00%	100.00%
Global Management Services		Romania	31/12/2010	< thresholds				
Greenval Insurance Company Ltd.		Ireland			Full	3	100.00%	100.00%
H.F.G.L Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Harpur UK Ltd.		UK	31/12/2010	Dissolution				
Humberclyde Commercial Investments Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Commercial Investments N°1 Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Commercial Investments N° 4 Ltd.		UK	31/12/2011	Liquidation				
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Finance Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Industrial Finance Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Humberclyde Investments Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
JCB Finance	*	France	31/12/2011		Full		100.00%	42.32%
			31/12/2010	Partial disposal	Full		100.00%	42.32%
			31/12/2009		Full		100.00%	50.10%
JCB Finance Holdings Ltd.		UK	31/12/2011		Full		50.10%	42.32%
			31/12/2010	Partial disposal	Full		50.10%	42.32%
			31/12/2009		Full		50.10%	50.10%
Kota Jaya Ltd.		Hong-Kong	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Kota Juta Ltd.		Hong-Kong	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
Locatrice Italiana SPA		Italy	31/12/2011	New thresholds	Equity	4	100.00%	95.94%
			31/12/2010	Partial disposal	Full		100.00%	95.94%
			31/12/2009		Full		100.00%	100.00%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Equipment Solutions (cont'd)								
Manitou Finance Ltd.		UK	31/12/2011		Full		51.00%	43.08%
			31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Marie Lease SARL		Luxembourg	31/12/2010	< thresholds				
MFF SAS	*	France	31/12/2011		Full		51.00%	43.08%
			31/12/2010	Partial disposal	Full		51.00%	43.08%
			31/12/2009		Full		51.00%	51.00%
Natiobail 2		France	31/12/2011	New thresholds		4		
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natiocrédibail	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natiocrédimurs	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Natioénergie	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Otis Vehicle Rentals Ltd.		UK	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Equity		40.00%	33.79%
			31/12/2009	Purchase	Equity		40.00%	21.37%
Paricomi 2 (ex-Paricomi)		France			Full		100.00%	100.00%
PHH Financial services Ltd.		UK			Full		100.00%	100.00%
PHH Investment Services Ltd.		UK	31/12/2011	Dissolution				
			31/12/2010		Full		100.00%	100.00%
PHH Treasury Services Ltd.		UK	31/12/2011	Dissolution				
			31/12/2010		Full		100.00%	100.00%
Same Deutz Fahr Finance Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Same Deutz-Fahr Finance	*	France	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
SCI Champvernier		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Azur		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Château Landon		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Evry 2		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Le Gallo		France	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Full		100.00%	84.48%
			31/12/2009	Purchase	Full		100.00%	53.43%
SCI FLIF Le Port		France	31/12/2010	Dissolution				
SCI FLIF Sainte Marie		France	31/12/2010	Dissolution				
SREI Equipement Finance Private Ltd.		India	31/12/2011		Prop.		50.00%	42.24%
			31/12/2010	Partial disposal	Prop.		50.00%	42.24%
			31/12/2009		Prop.		50.00%	50.00%
TEB Arval Arac Filo Kiralama		Turkey	31/12/2011		Full		75.00%	68.73%
			31/12/2010	Partial disposal	Full		75.00%	68.73%
			31/12/2009		Full		75.00%	75.00%
TEB Finansal Kiralama		Turkey	31/12/2011	Merger				
			31/12/2010	Additional purchase	Full		98.43%	79.19%
			31/12/2009		Prop.		42.10%	50.00%
UFB Asset Finance Ltd.		UK	31/12/2011		Full		100.00%	84.48%
			31/12/2010	Partial disposal	Full		100.00%	84.48%
			31/12/2009		Full		100.00%	100.00%
Ukrainian Leasing Company		Ukraine	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009		Full		100.00%	81.42%
United Care (Cheshire) Ltd.		UK	31/12/2010	Dissolution				
United Care Group Ltd.		UK	31/12/2010	Dissolution				
Special Purpose Entities								
Royale Neuve I Sarl		Luxembourg			Full			
Vela Lease SRL		Italy			Full			
Europe Mediterranean								
3D Güvenlik Sistemleri ve Org Tic. AS		Turkey	31/12/2010	Dissolution				
Banque de Nankin		China			Equity		12.68%	12.68%
Banque du Sahara LSC		Libya	31/12/2011	Loss of significant influence				
			31/12/2010	Loss of control	Equity		19.00%	19.00%
			31/12/2009		Full		19.00%	19.00%
Banque Internationale du Commerce et de l'Industrie Burkina Faso		Burkina Faso			Full		51.00%	51.00%
Banque Internationale du Commerce et de l'Industrie Cote d'Ivoire		Ivory Coast			Full		59.79%	59.79%
Banque Internationale du Commerce et de l'Industrie Gabon		Gabon			Equity		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%

* 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 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Europe Mediterranean (cont'd)							
Banque Malgache de l'Ocean Indien	Madagascar	31/12/2011	Disposal				
		31/12/2010		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 Assurance	Morocco	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	66.74%
Banque Marocaine du Commerce et de l'Industrie Crédit Conso	Morocco	31/12/2011	Merger				
		31/12/2010		Full		100.00%	79.74%
Banque Marocaine du Commerce et de l'Industrie Crédit Conso (ex- Cetelem Maroc)	Morocco	31/12/2011	Dilution	Full		99.86%	66.65%
		31/12/2010		Full		99.86%	93.27%
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 Bank Polska SA (ex-Fortis Bank Polska SA)	Poland			Full		99.87%	74.84%
BNP Paribas BDDI Participations	France			Full		100.00%	100.00%
BNP Paribas El Djazair	Algeria			Full		100.00%	100.00%
BNP Paribas Fortis Yatirimlar Holding AS	Turkey	31/12/2011		Full		100.00%	74.93%
		31/12/2010	Incorporation	Full		100.00%	74.93%
BNP Paribas Mauritanie	Mauritania	31/12/2010	Disposal				
BNP Paribas SAE	Egypt			Full		95.19%	95.19%
BNP Paribas Vostok LLC	Russia			Full		100.00%	100.00%
BNP Paribas Yatirimlar Holding Anonim Sirketi	Turkey	31/12/2011	Incorporation	Full		100.00%	100.00%
Dominet Finanse SA	Poland	31/12/2010	Disposal				
Dominet SA	Poland			Full		100.00%	74.93%
Dominet SPV-II Sp z.o.o.	Poland	31/12/2010	< thresholds				
Fortis Bank Anonim Sirketi	Turkey	31/12/2011	Merger				
		31/12/2010		Full		94.11%	70.52%
Fortis Bank Malta Ltd.	Malta	31/12/2011	New thresholds	Equity	4	100.00%	74.93%
		31/12/2010		Full		100.00%	74.93%
Fortis Faktoring AS	Turkey	31/12/2011	Purchase	Equity	1	100.00%	74.93%
Fortis Holding Malta BV	Netherlands			Full		100.00%	74.93%
Fortis Holding Malta Ltd.	Malta			Full		100.00%	74.93%
Fortis Private Investment Polska	Poland	31/12/2010	< thresholds				
Fortis Portfoy Yonetimi AS	Turkey	31/12/2011	Merger				
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Yatirim Menkul Degerler AS	Turkey	31/12/2011	Merger				
		31/12/2010		Equity	1	100.00%	70.52%
IC Axa Insurance	Ukraine	31/12/2011		Equity	1	49.68%	49.68%
		31/12/2010	Additional purchase	Equity	1	49.67%	49.68%
		31/12/2009		Equity	1	49.67%	40.44%
IC Axa Ukraine	Ukraine	31/12/2011		Equity	1	50.00%	50.00%
		31/12/2010	Additional purchase	Equity	1	50.00%	50.00%
		31/12/2009		Equity	1	50.00%	40.71%
K-Kollect LLC	Ukraine	31/12/2011	Incorporation	Full		100.00%	100.00%
Orient Commercial Bank	Vietnam	31/12/2011	Additional purchase	Equity		20.00%	20.00%
		31/12/2010		Equity		15.00%	15.00%
TEB Holding AS (ex-TEB Mali Yatirimlar AS) (Groupe)	Turkey	31/12/2011		Prop.		50.00%	37.47%
		31/12/2010	Partial disposal	Prop.		50.00%	37.47%
		31/12/2009		Prop.		50.00%	50.00%
Ukrsib Asset Management	Ukraine	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Equity	1	99.94%	99.94%
		31/12/2009		Equity	1	99.94%	81.37%
Ukrsib Asset Management PI Fund	Ukraine	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Equity	1	100.00%	99.99%
		31/12/2009		Equity	1	99.94%	81.37%
UkrSibbank	Ukraine	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		99.99%	99.99%
		31/12/2009		Full		81.42%	81.42%
Union Bancaire pour le Commerce et l'Industrie	Tunisia			Full		50.00%	50.00%
Union Bancaire pour le Commerce et l'Industrie Leasing	Tunisia	31/12/2010	Merger				
Investment Solutions							
BGL BNP Paribas (ex- BGL)	Luxembourg			Full		65.96%	53.43%
BNP Paribas Luxembourg SA	Luxembourg	31/12/2010	Merger				
BNP Paribas Suisse SA	Switzerland			Full		99.99%	99.99%
Cofhylux SA	Luxembourg			Full		100.00%	53.43%
Immoparibas Royale-Neuve SA	Luxembourg	31/12/2011	New thresholds		4		
		31/12/2010	Reconsolidation	Full		100.00%	53.43%
IMS ABS FCP	France	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Passing qualifying thresholds	Full		80.74%	80.74%
Insurance							
6 Square Foch SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
8-10 place du Commerce SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
14 rue Vivienne SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
100 rue Lauriston SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
104-106 rue Cambronne SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
AG Insurance-Groupe	Belgium			Equity		25.00%	18.73%
Alpha Park SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Prop.	3	50.00%	50.00%

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Insurance (cont'd)							
Antin Epargne Pension	France	31/12/2011	Merger				
		31/12/2010	Purchase	Full	3	100.00%	100.00%
Asnieres 1 SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Assu-Vie SA	France	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	50.00%	50.00%
Beausejour SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
BNL Vita SPA	Italy	31/12/2011	Additional purchase	Full	3	100.00%	100.00%
		31/12/2010		Equity		49.00%	49.00%
BNP Paribas Assurance BV	Netherlands			Full	3	100.00%	100.00%
BNP Paribas Assurance TCB Life Insurance Company Ltd	Taiwan	31/12/2011		Equity		49.00%	49.00%
		31/12/2010	Passing qualifying thresholds	Equity		49.00%	49.00%
BNP Paribas Cardif (ex-BNP Paribas Assurance)	France			Full	3	100.00%	100.00%
BNP Paribas Cardif Emeklilik Anonim Sirketi (ex-Fortis Emeklilik ve Hayat A.S)	Turkey	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010	Purchase	Full		100.00%	100.00%
BNP Paribas Pierre 2 SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Bobigny Jean Rostand SCI	France	31/12/2011	New thresholds		4		
		31/12/2010	Incorporation	Full	3	100.00%	100.00%
Boulevard Malesherbes SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Boulogne Centre SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Capital France Hotel SCA	France	31/12/2011	New thresholds		4		
		31/12/2010		Prop.	3	61.04%	60.14%
Cardif Assicurazioni SPA	Italy			Full	3	100.00%	100.00%
Cardif Assurances Risques Divers	France			Full	3	100.00%	100.00%
Cardif Assurance Vie	France			Full	3	100.00%	100.00%
Cardif Biztosito Magyarorszag Zrt	Hungary			Equity	1	100.00%	100.00%
Cardif Colombia Seguros Generales	Colombia			Equity	1	100.00%	100.00%
Cardif del Peru Sa Compania de Seguros	Perou			Equity	1	100.00%	100.00%
Cardif do Brasil Vida e Previdencia SA	Brazil			Full	3	100.00%	100.00%
Cardif do Brasil Seguros e Garantias	Brazil	31/12/2011		Full	3	100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full	3	100.00%	100.00%
		31/12/2009		Equity	1	100.00%	100.00%
Cardif Forsakring AB	Sweden			Equity	1	100.00%	100.00%
Cardif Hayat Sigorta Anonim Sirketi	Turkey	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
Cardif Holdings Inc.	U.S.A			Full	3	100.00%	100.00%
Cardif Insurance Company	Russia			Equity	1	100.00%	100.00%
Cardif I-Services (ex-Cardif Retraite Assurance Vie)	France	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010		Full	3	100.00%	100.00%
Cardif Leven	Belgium			Full	3	100.00%	100.00%
Cardif Levensverzekeringen NV	Netherlands			Full	3	100.00%	100.00%
Cardif Life Insurance Company	U.S.A	31/12/2011	Disposal				
		31/12/2010		Full	3	100.00%	99.60%
Cardif Life Insurance Co. Ltd.	South Korea			Full	3	85.00%	85.00%
Cardif Lux Vie (ex-Cardif Lux International)	Luxembourg	31/12/2011	Dilution	Full	3	66.67%	51.14%
		31/12/2010		Full	3	100.00%	100.00%
Cardif Mexico Seguros de Vida SA de CV	Mexico			Equity	1	100.00%	100.00%
Cardif Mexico Seguros Generales SA de CV	Mexico			Equity	1	100.00%	100.00%
Cardif Nordic AB	Sweden			Full	3	100.00%	100.00%
Cardif Pinnacle Insurance Holdings PLC	UK			Full	3	100.00%	100.00%
Cardif Pinnacle Insurance Management Services PLC	UK			Full	3	100.00%	100.00%
Cardif Polska Towarzystwo Ubezpieczen na Zycie SA	Poland			Full	3	100.00%	100.00%
Cardif Schadeverzekeringen NV	Netherlands			Full	3	100.00%	100.00%
Cardif Seguros SA	Argentina			Full	3	100.00%	100.00%
Cardivida Correduria de Seguros SRL	Spain	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	100.00%
Carma Grand Horizon SARL	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
CB (UK) Ltd. (Fonds C)	UK			Full	3	100.00%	100.00%
CentroVita Assicurazioni SPA	Italy	31/12/2010	Disposal				
CJS Insurance Company Cardif	Ukraine	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	100.00%
Compania de Seguros Generales Cardif SA	Chile			Full	3	100.00%	100.00%
Compania de Seguros de Vida Cardif SA	Chile			Full	3	100.00%	100.00%
Corosa SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Darnell Ltd.	Ireland			Full	3	100.00%	100.00%
Direct Life & Pensions Services Ltd.	UK	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	100.00%
Etoile SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
European Reinsurance Ltd.	UK	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	100.00%
F & B Insurance Holdings SA (Groupe)	Belgium			Equity		50.00%	50.00%
Financial Telemarketing Services Ltd.	UK			Equity	1	100.00%	100.00%
Fonds d'Investissements Immobiliers pour le Commerce et la Distribution - Fondis	France	31/12/2011	New thresholds		4		
		31/12/2010		Prop.	3	25.00%	25.00%
Fortis Epargne Retraite	France	31/12/2010	Merger				
Fortis Luxembourg - Vie SA	Luxembourg	31/12/2011	Merger				
		31/12/2010		Equity		50.00%	26.71%
GIE BNP Paribas Cardif (ex-GIE BNP Paribas Assurance)	France			Full	3	100.00%	99.00%
Global Euro	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	98.75%	98.75%
Hibernia (France)	France	31/12/2011	New thresholds		4		
		31/12/2010		Prop.	3	61.04%	60.14%
Immeuble Demours SCI	France	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
Luizaseg	Brazil	31/12/2011	New thresholds	Equity	4	50.00%	50.00%
		31/12/2010	Passing qualifying thresholds	Prop.	3	50.00%	50.00%
		31/12/2009		Equity	1	50.00%	50.00%

* 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 - Entities excluded from the prudential scope of consolidation

3 - Entities consolidated under the equity method for prudential purposes

4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Insurance (cont'd)								
Maine 49 SCI (ex- SCI Courbevoie)		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Maine 50 SCI (ex- SCI Boulogne Nungesser)		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Malesherbes Courcelles CIMACO SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Moussorgski SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Natio Assurance		France	31/12/2011	New thresholds	Equity	4	50.00%	50.00%
			31/12/2010		Prop.	3	50.00%	50.00%
Natio Fonds Athenes Investissement 5		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Natio Fonds Collines Investissement 1		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Natio Fonds Collines Investissement 3		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
NCVP Participacoes Societarias SA		Brazil			Full	3	100.00%	100.00%
Odysee SCI		France			Full	3	99.90%	99.90%
Opera Rendement SCPI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	99.89%	99.89%
Pantin les Moulins SCI		France	31/12/2011	New thresholds		4		
			31/12/2010	Passing qualifying thresholds	Full	3	99.90%	99.90%
Paris Cours de Vincennes SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Patrimoine Management & Associés		France	31/12/2010	Disposal				
Pinnacle Insurance PLC		UK			Full	3	100.00%	100.00%
Pinnacle Underwriting Limited		UK	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA		Poland			Equity		33.33%	33.33%
Pojistovna Cardif Pro Vita A.S		Czech Republic			Full	3	100.00%	100.00%
Pojistovna Cardif Slovakia A.S		Slovakia			Equity	1	100.00%	100.00%
Porte d'Asnieres SCI		France	31/12/2011	New thresholds		4		
			31/12/2010	Passing qualifying thresholds	Full	3	99.90%	99.90%
Reumal Investissements SARL		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Rubin SARL		Luxembourg	31/12/2011	New thresholds		4		
			31/12/2010		Prop.	3	50.00%	50.00%
Rue de l'Ouest SCI (ex- SCI Levallois 2)		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Rue Mederic SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Rueil Caudron SCI		France			Full	3	100.00%	100.00%
State Bank of India Life Insurance Company		India			Equity		26.00%	26.00%
Suresnes 3 SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Thai Cardif Insurance Life Company Ltd.		Thailand	31/12/2011	New thresholds		4		
			31/12/2010		Equity		25.00%	25.00%
Valtitres		France	31/12/2011	New thresholds		4		
			31/12/2010		Full	3	100.00%	100.00%
Vendome Athenes SCI		France	31/12/2011	New thresholds		4		
			31/12/2010		Prop.	3	50.00%	50.00%
Warranty Direct Ltd		UK	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	88.33%	90.29%
Wealth Management								
Bank Insinger de Beaufort NV		Netherlands	31/12/2011		Full		63.02%	63.02%
			31/12/2010	Additional purchase	Full		63.02%	63.02%
			31/12/2009	Purchase	Full		59.08%	59.08%
Bank Insinger de Beaufort Safe Custody NV		Netherlands	31/12/2011		Full		100.00%	63.02%
			31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Bergues Finance Holding		Bahamas	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	99.99%
BNP Paribas Bahamas Ltd.		Bahamas	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	99.99%
BNP Paribas Espana SA		Spain			Full		99.62%	99.62%
BNP Paribas Investment Services LLC		U.S.A	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	100.00%
BNP Paribas Private Investment Management Ltd.		UK	31/12/2011	Disposal				
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Wealth Management	*	France			Full		100.00%	100.00%
BNP Paribas Wealth Management Monaco	*	Monaco			Full		100.00%	99.99%
Conseil Investissement		France	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
			31/12/2010		Full		100.00%	100.00%
Continuing Care Retirement Community NV		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Full		99.96%	74.90%
Fortis Private Real Estate Holding		Luxembourg	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	74.93%
Fortis Wealth Management Hong Kong Ltd.		Hong-Kong	31/12/2011	Disposal				
			31/12/2010		Full		100.00%	74.93%
Fortis Wealth Management Taiwan Co. Ltd.		Taiwan	31/12/2010	< thresholds				
FPRE Management (Belgium) SA		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	74.93%
FPRE Second Residences SA		Belgium	31/12/2010	Merger				
FPRE Second Residences SCA		Belgium	31/12/2010	Merger				
Frynaco		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	74.93%
Fundamentum Asset Management (FAM)		Luxembourg			Full		100.00%	53.43%
Insinger de Beaufort Asset Management AG		Switzerland	31/12/2011		Full		100.00%	31.51%
			31/12/2010	Additional purchase	Full		100.00%	31.51%
			31/12/2009	Purchase	Full		100.00%	29.54%

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Wealth Management (cont'd)								
Insinger de Beaufort Asset Management NV		Netherlands	31/12/2011		Full		100.00%	63.02%
			31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Associates BV		Netherlands	31/12/2011		Full		100.00%	63.02%
			31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Insinger de Beaufort Consulting BV		Netherlands	31/12/2011		Full		100.00%	63.02%
			31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Klein Haneveld Consulting BV		Netherlands	31/12/2011		Full		100.00%	63.02%
			31/12/2010	Additional purchase	Full		100.00%	63.02%
			31/12/2009	Purchase	Full		100.00%	59.08%
Mees Pierson Private Belgian Offices NV		Belgium	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	74.93%
Sodefi Holding AG		Switzerland	31/12/2011		Full		50.00%	31.51%
			31/12/2010	Additional purchase	Full		50.00%	31.51%
			31/12/2009	Purchase	Full		50.00%	29.54%
Personal Investors								
B*Capital	*	France			Full		99.96%	99.94%
Cortal Consors	*	France			Full		100.00%	99.98%
Cortal Consors Select		France	31/12/2011	New thresholds		4		
			31/12/2010		Equity	1	85.00%	85.00%
Geojit BNP Paribas Financial Services Ltd - Groupe		India			Prop.		33.58%	33.58%
Geojit Technologies Private Ltd. (ex- palier Geojit)		India			Full		56.83%	56.83%
Portzamparc Gestion		France			Full		100.00%	50.97%
Portzamparc société de Bourse	*	France			Full		51.00%	50.97%
Investment Partners								
ABN AMRO Asset Management Investments (Asia) Ltd.		Cayman Islands	31/12/2010	Dissolution				
ABN AMRO Asset Management Real Estate (Asia)		Cayman Islands	31/12/2010	< thresholds				
ABN AMRO Asset Management Real Estate, Korea (Cayman)		Cayman Islands	31/12/2010	< thresholds				
ABN AMRO Emerging Europe Private Equity (Curaçao)		Curaçao	31/12/2010	< thresholds				
ABN Amro Teda Fund Management Co. Ltd		China	31/12/2010	Disposal				
Alfred Berg Administration A/S		Denmark	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Asset Management AB		Sweden	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Asset Management Services		Sweden	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Fonder AB		Sweden	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Fondsmaeglerselskab A/S		Denmark	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Forvaltning AS		Norway	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Funds		Finland	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalförvaltning AB		Sweden	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalforvaltning AS		Norway	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Alfred Berg Kapitalforvaltning Finland AB		Finland	31/12/2011		Full		100.00%	90.55%
			31/12/2010	Additional purchase	Full		100.00%	90.55%
			31/12/2009	Purchase	Full		100.00%	71.19%
Antin Infrastructure Partners		France	31/12/2011		Equity	1	40.00%	36.22%
			31/12/2010	Partial disposal	Equity	1	40.00%	36.22%
			31/12/2009		Equity	1	56.50%	56.50%
Aramea Asset Management AG		Germany	31/12/2011	New thresholds		4		
			31/12/2010	Additional purchase	Equity		30.00%	27.16%
			31/12/2009	Purchase	Equity		30.00%	21.36%
Arnhem Investment Management Pty Ltd. (ex- Fortis Investment Partners Pty Ltd.)		Australia	31/12/2011		Equity		40.00%	36.22%
			31/12/2010	Additional purchase	Equity		40.00%	36.22%
			31/12/2009	Purchase	Equity		40.00%	28.48%
Artemis Asset Management Ltd.		UK	31/12/2010	Disposal				
Artemis Fund Managers Ltd.		UK	31/12/2010	Disposal				
Artemis Investment Management Ltd.		UK	31/12/2010	Disposal				
Artemis Ocean Racing Ltd.		UK	31/12/2010	Disposal				
Artemis Ocean Racing 2 Ltd.		UK	31/12/2010	Disposal				
Artemis Strategic Asset Management Ltd.		UK	31/12/2010	Disposal				
Artemis Unit Trust Managers Ltd.		UK	31/12/2010	Disposal				
Athymis Gestion SA		France	31/12/2010	< thresholds				

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4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment Partners (cont'd)							
Banco Estado Administradora General de Fondos	Chile	31/12/2011		Equity	1	49.99%	45.26%
		31/12/2010	Partial disposal	Equity	1	49.99%	45.26%
		31/12/2009	Passing qualifying thresholds	Equity	1	49.99%	49.99%
BNP Paribas Asset Management	France	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Asset Management Australia Ltd.	Australia	31/12/2010	< thresholds				
BNP Paribas Asset Management Brasil Ltda	Brazil	31/12/2011		Full		100.00%	97.57%
		31/12/2010	Partial disposal	Full		100.00%	97.57%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Asset Management Inc.	U.S.A	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Asset Management Inc. (ex-Fortis Investment Management USA Inc.)	U.S.A	31/12/2011	Additional purchase	Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Asset Management India Private Ltd	India	31/12/2011		Equity	1	100.00%	90.55%
		31/12/2010	< thresholds	Equity	1	100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Asset Management SGIIC	Spain	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	99.59%
BNP Paribas Asset Management Uruguay SA	Uruguay	31/12/2011		Equity	1	100.00%	90.55%
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009		Equity	1	100.00%	100.00%
BNP Paribas Clean Energy Partners Ltd	UK	31/12/2011	New thresholds	Equity	4	100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas FIN'AMS Asia	Hong-Kong	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity	1	100.00%	91.84%
		31/12/2009		Equity	1	100.00%	100.00%
BNP Paribas Investment Partners	France	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Asia Ltd	Hong-Kong	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Australia) Ltd	Australia	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Australia) Pty Ltd	Australia	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners BE Holding	Belgium	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Belgium	Belgium	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners BSC	Bahrain	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity	1	100.00%	90.59%
		31/12/2009	Passing qualifying thresholds	Equity	1	99.58%	99.58%
BNP Paribas Investment Partners Canada Ltd	Canada	31/12/2010	< thresholds				
BNP Paribas Investment Partners Funds (Nederland) NV	Netherlands	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners Japan Ltd	Japan	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Luxembourg SA	Luxembourg	31/12/2011		Full		99.66%	90.24%
		31/12/2010	Partial disposal	Full		99.66%	90.24%
		31/12/2009		Full		99.66%	99.66%
BNP Paribas Investment Partners Netherlands NV	Netherlands	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners NL Holding NV	Netherlands	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners (Suisse) SA	Switzerland	31/12/2010	< thresholds				
BNP Paribas Investment Partners Singapore Ltd	Singapore	31/12/2011		Equity	1	100.00%	90.55%
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009		Equity	1	100.00%	100.00%
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA	Italy	31/12/2011		Full		100.00%	98.42%
		31/12/2010	Partial disposal	Full		100.00%	98.42%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners Taiwan Co. Ltd	Taiwan	31/12/2010	< thresholds				
BNP Paribas Investment Partners UK Holdings Ltd	UK	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
BNP Paribas Investment Partners UK Ltd	UK	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%
BNP Paribas Investment Partners USA Holdings Inc (ex-Charter Atlantic Corporation)	U.S.A			Full		100.00%	100.00%
BNP Paribas Investment Trust Company (ex-ABN Amro Investment Trust Company)	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Investment Partners (cont'd)							
BNP Paribas Private Equity	France	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
		31/12/2009		Equity	1	100.00%	100.00%
CamGestion	France	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%
Charter Atlantic Capital corporation	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
EISER Infrastructure Capital Management Ltd.	UK	31/12/2010	Disposal				
Fauchier General Partners Ltd	Guernsey	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Asset Management Ltd	Guernsey	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Corporation	U.S.A	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners International Ltd	Bermuda	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Ltd	UK	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners LLP	UK	31/12/2011	Additional purchase	Full		83.39%	75.15%
		31/12/2010	Additional purchase	Full		83.39%	66.06%
		31/12/2009		Prop.		39.70%	62.54%
Fauchier Partners Management Company Ltd	UK	31/12/2011	Additional purchase	Full		100.00%	90.54%
		31/12/2010	Additional purchase	Full		100.00%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners Management Ltd	Guernsey	31/12/2011	Additional purchase	Full		99.99%	90.54%
		31/12/2010	Additional purchase	Full		87.49%	79.22%
		31/12/2009		Prop.		47.61%	75.00%
Fauchier Partners SAS	France	31/12/2011	Incorporation	Full		100.00%	90.54%
Fimapierre	France	31/12/2011	< thresholds				
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fischer Francis Trees & Watts Inc.	U.S.A			Full		100.00%	100.00%
Fischer Francis Trees & Watts Kabushiki Kaisha	Japan	31/12/2010	Dissolution				
Fischer Francis Trees & Watts Ltd.	UK	31/12/2011	Liquidation				
		31/12/2010		Full		100.00%	100.00%
Fischer Francis Trees & Watts Pte Ltd.	Singapore	31/12/2010	Merger				
Fischer Francis Trees & Watts Singapore Ltd	Singapore	31/12/2011		Equity	1	100.00%	90.55%
		31/12/2010	Additional purchase & < thresholds	Equity	1	100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fischer Francis Trees & Watts UK	UK	31/12/2011	Liquidation				
		31/12/2010		Full		100.00%	100.00%
Fischer Francis Trees & Watts UK Ltd	UK	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Flexifund Associates	Luxembourg	31/12/2010	Dissolution				
Fortis Asset Management Japan CO Ltd.	Japan	31/12/2010	Merger				
Fortis Bank Suisse SA	Switzerland	31/12/2010	Merger				
Fortis Gesbeta SGIIC	Spain	31/12/2010	Merger				
Fortis Gestao de Investimentos Brasil Limitada	Brazil	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Finance	France	31/12/2011	< thresholds				
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management (Cayman) Ltd	Cayman Islands	31/12/2010	Liquidation				
Fortis Investment Management Chile SA	Chile	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management Argentina Soc. Gerente de FCI SA	Argentina	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Fortis Investment Management France	France	31/12/2010	Merger				
Fortis Investment Management Hong Kong Ltd.	Hong-Kong	31/12/2010	Liquidation				
Fortis Investment Management Luxembourg SA	Luxembourg	31/12/2010	Merger				
Fund Channel SA	Luxembourg	31/12/2011		Equity	1	49.96%	45.24%
		31/12/2010	Passing qualifying thresholds	Equity	1	49.96%	45.24%
FundQuest	France	31/12/2011		Full		100.00%	90.55%
		31/12/2010	Partial disposal	Full		100.00%	90.55%
		31/12/2009		Full		100.00%	100.00%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Simplified consolidation by the equity method (non-material entities)
2 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment Partners (cont'd)							
FundQuest Holdings Ltd.	UK	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009	Passing qualifying thresholds	Equity	1	100.00%	100.00%
FundQuest Inc.	U.S.A	31/12/2011	Disposal				
		31/12/2010		Full		100.00%	100.00%
FundQuest MM Ltd.	UK	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009	Passing qualifying thresholds	Equity	1	100.00%	100.00%
FundQuest UK Ltd.	UK	31/12/2011	Passing qualifying thresholds	Full		100.00%	90.55%
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Gestion Obligataire Diversifiée	France	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Full		100.00%	93.26%
		31/12/2009	Passing qualifying thresholds	Full		100.00%	100.00%
Groeivermogen NV	Netherlands	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Haitong - Fortis Private Equity Fund Management Co. Ltd.	China	31/12/2011		Equity		33.00%	29.88%
		31/12/2010	Additional purchase	Equity		33.00%	29.88%
		31/12/2009	Purchase	Equity		33.00%	23.49%
HFT Investment Management Co Ltd - Groupe	China	31/12/2011		Equity		49.00%	44.37%
		31/12/2010	Additional purchase	Equity		49.00%	44.37%
		31/12/2009	Purchase	Equity		49.00%	34.88%
HFT Investment Management (HK) Ltd.	Hong-Kong	31/12/2011		Equity		49.00%	44.37%
		31/12/2010	Incorporation	Equity		49.00%	44.37%
Impax Asset Management Group PLC	UK	31/12/2011		Equity		27.88%	25.24%
		31/12/2010	Partial disposal	Equity		27.88%	25.24%
		31/12/2009		Equity		27.88%	27.88%
Industrifinans Forskningsparken Eiendom AS	Norway	31/12/2011	Liquidation				
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
KIT Fortis Investment Management	Kazakhstan	31/12/2011	Liquidation				
		31/12/2010	Additional purchase	Equity		50.00%	45.27%
		31/12/2009	Purchase	Equity		50.00%	35.60%
Malbec Partners Inc.	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
Malbec Partners LLP	UK	31/12/2010	Dissolution				
Malbec UK Ltd.	UK	31/12/2010	Dissolution				
Merconter SA	Argentina	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	90.55%
		31/12/2009	Purchase	Full		100.00%	71.19%
Ostara Partners Inc.	Cayman Islands	31/12/2010	< thresholds				
Ostara Partners Inc. Korea	Cayman Islands	31/12/2010	< thresholds				
Overlay Asset Management	France	31/12/2011	< thresholds				
		31/12/2010	Partial disposal	Equity	1	100.00%	90.55%
		31/12/2009		Equity	1	100.00%	100.00%
PT ABN AMRO Manajemen Investasi	Indonesia	31/12/2011	New thresholds		4		
		31/12/2010	< thresholds	Equity	1	84.99%	76.96%
		31/12/2009	Purchase	Full		84.99%	60.50%
PT. BNP Paribas Investment Partners	Indonesia	31/12/2011		Full		99.00%	89.64%
		31/12/2010	Additional purchase	Full		99.00%	89.64%
		31/12/2009	Purchase	Full		99.00%	70.47%
SAIB BNP Paribas Asset Management Cy Ltd.	Saudi Arabia	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity		25.00%	22.64%
		31/12/2009	Passing qualifying thresholds	Equity		25.00%	25.00%
Shenying & Wanguo BNP Paribas Asset Management Company Ltd.	China	31/12/2011	New thresholds		4		
		31/12/2010	Partial disposal	Equity		33.00%	29.88%
		31/12/2009		Equity		33.00%	33.00%
Shinan BNP Paribas Asset Management Co Ltd	South Korea	31/12/2011		Prop.		35.00%	31.69%
		31/12/2010	Partial disposal	Prop.		35.00%	31.69%
		31/12/2009		Prop.		35.00%	35.00%
Sundaram BNP Paribas Asset Management Company Ltd.	India	31/12/2010	Disposal				
TFunds Mutual Fund Management Company SA	Greece	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Equity		45.00%	40.75%
		31/12/2009	Purchase	Equity		45.00%	32.03%
THEAM (ex-Harewood Asset Management)	France	31/12/2011	Partial disposal	Full		100.00%	90.55%
		31/12/2010		Full		100.00%	100.00%
TKB BNP Paribas Investment Partners Holding BV	Netherlands	31/12/2011		Equity		50.00%	45.27%
		31/12/2010	Additional purchase	Equity		50.00%	45.27%
		31/12/2009	Purchase	Equity		50.00%	35.60%
TKB BNP Paribas Investment Partners LLC	Russia	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Equity		50.00%	45.27%
		31/12/2009	Purchase	Equity		50.00%	35.60%
Versiko AG	Germany	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Equity		25.00%	22.64%
		31/12/2009	Purchase	Equity		25.10%	17.87%
BNP Paribas Fin' AMS *	France			Full		100.00%	100.00%
BNP Paribas Financial Services LLC	U.S.A	31/12/2011	Passing qualifying thresholds	Equity		100.00%	100.00%
BNP Paribas Fund Services Australasia Ltd.	Australia			Full		100.00%	100.00%
BNP Paribas Fund Services Dublin Ltd.	Ireland	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010		Full		100.00%	100.00%
Securities Services							
BNP Paribas Fund Services France	France			Full		100.00%	100.00%
BNP Paribas Fund Services Securities Pty	Australia	31/12/2011	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Securities Services - BP2S *	France			Full		100.00%	100.00%
BNP Paribas Securities Services Fund Administration Ltd.	Jersey	31/12/2011	New thresholds		4		
		31/12/2010	Passing qualifying thresholds	Equity	1	100.00%	100.00%
BNP Paribas Securities Services (Holdings) Ltd.	Jersey			Full		100.00%	100.00%
BNP Paribas Trust Company (Guernesey) Ltd.	Guernsey			Equity	1	100.00%	100.00%
F.A.M. Fund Advisory	Luxembourg	31/12/2010	Dissolution				
Fastnet Nederland	Netherlands	31/12/2011	New thresholds		4		
		31/12/2010		Equity		47.84%	25.56%
Fund Administration Services & Technology Network Belgium	Belgium	31/12/2011	New thresholds		4		
		31/12/2010		Equity		47.80%	25.54%
Fund Administration Services & Technology Network Luxembourg	Luxembourg	31/12/2010	Disposal				
Real Estate Services							
Asset Partenaires	France			Full		100.00%	96.77%
Auguste Thouard Expertise	France			Full		100.00%	100.00%
BNP Paribas Immobilier Promotion Immobilier d'Entreprise	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Promotion Ile de France	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Promotion Mediterranée	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Promotion Rhône Alpes	France			Full		100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Sud (	France			Full		100.00%	100.00%
BNP Paribas Immobilier Résidentiel Promotion Var	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Residences Services	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Residences Services BSA	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Residences Services Sofiane	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Service Clients	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel Transaction & Conseil	France			Full		100.00%	100.00%
BNP Paribas Immobilier Residentiel V2i	France			Full		100.00%	100.00%
BNP Paribas Real Estate	France			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory Belgium SA	Belgium			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory Italy SPA	Italy			Full		100.00%	100.00%
BNP PB Real Estate Advisory & Property Management Czech Republic Ltd	Czech Republic	31/12/2011	Purchase	Full		100.00%	100.00%
BNP PB Real Estate Advisory & Property Management Hungary Ltd	Hungary	31/12/2011	Purchase	Full		100.00%	100.00%
BNP PB Real Estate Advisory & Property Management Ireland Ltd.	Ireland			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management International	France	31/12/2010	Merger				
BNP Paribas Real Estate Advisory & Property Management LLC	United Arab Emirates			Full		49.00%	49.00%
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA	Luxembourg			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management Poland SA	Poland	31/12/2011	Purchase	Full		100.00%	100.00%
BNP Paribas Real Estate Advisory & Property Management UK Ltd.	UK			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory Spain SA	Spain			Full		100.00%	100.00%
BNP Paribas Real Estate Advisory USA Inc.	U.S.A	31/12/2010	< thresholds				
BNP Paribas Real Estate Consult France	France			Full		100.00%	100.00%
BNP Paribas Real Estate Consult GmbH	Germany			Full		100.00%	100.00%
BNP Paribas Real Estate Facilities Management Ltd.	UK			Full		100.00%	100.00%
BNP Paribas Real Estate Financial Partner	France			Full		100.00%	100.00%
BNP Paribas Real Estate GmbH	Germany			Full		100.00%	100.00%
BNP Paribas Real Estate Holding Benelux SA	Belgium			Full		100.00%	100.00%
BNP Paribas Real Estate Holding GmbH	Germany			Full		100.00%	100.00%
BNP Paribas Real Estate Hotels France	France			Full		96.40%	95.99%
BNP Paribas Real Estate & Infrastructure Advisory Service Private Ltd.	India			Full		55.00%	55.00%
BNP Paribas Real Estate Investment Management	France			Full		96.77%	96.77%
BNP Paribas Real Estate Investment Management Belgium	Belgium	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Incorporation	Full		100.00%	100.00%
BNP Paribas Real Estate Investment Management Italy	Italy			Full		100.00%	100.00%
BNP Paribas Real Estate Investment Management Ltd.	UK			Full		100.00%	100.00%
BNP Paribas Real Estate Investment Management Luxembourg SA	Luxembourg	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Incorporation	Full		100.00%	100.00%
BNP Paribas Real Estate Investment Management Spain	Spain	31/12/2011	Incorporation	Full		100.00%	100.00%
BNP Paribas Real Estate Investment Management UK Ltd.	UK			Full		100.00%	100.00%
BNP Paribas Real Estate Investment Services SAS	France			Full		100.00%	100.00%
BNP Paribas Real Estate Jersey Ltd.	Jersey			Full		100.00%	100.00%
BNP Paribas Real Estate Project Solutions GmbH	Germany	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Real Estate Property Developpement Italy SPA	Italy			Full		100.00%	100.00%
BNP Paribas Real Estate Property Developpement UK Ltd.	UK	31/12/2011	Incorporation	Full		100.00%	100.00%
BNP Paribas Real Estate Property Management Belgium	Belgium			Full		100.00%	100.00%
BNP Paribas Real Estate Property Management France SAS	France			Full		100.00%	100.00%
BNP Paribas Real Estate Property Management GmbH	Germany			Full		100.00%	100.00%
BNP Paribas Real Estate Property Management International	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%

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2 - Entities excluded from the prudential scope of consolidation
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4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name		Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Real Estate Services (cont'd)								
BNP Paribas Real Estate Property Management Italy SrL		Italy			Full		100.00%	100.00%
BNP Paribas Real Estate Property Management Spain SA		Spain			Full		100.00%	100.00%
BNP Paribas Real Estate Services Holding Italy		Italy	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Incorporation	Full		100.00%	100.00%
BNP Paribas Real Estate Transaction France		France			Full		96.40%	95.99%
BNP Paribas Real Estate Valuation France		France			Full		100.00%	100.00%
Cristolienne de Participations SAS		France	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	100.00%
F G Ingenierie et Promotion Immobilière		France			Full		100.00%	100.00%
European Direct Property Management SA (ex-Fortis Direct Real Estate Management)		Luxembourg	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Gerer SA		France	31/12/2010	Disposal				
Immobiliere des Bergues		France			Full		100.00%	100.00%
Euro Fashion Center SA		Belgium	31/12/2010	< thresholds				
Fortis / KFH Scof Advisor Ltd.		Virgin Islands	31/12/2010	< thresholds				
Lot 2 Porte d'Asnières SNC		France	31/12/2010	< thresholds				
Meunier Hispania SA		Spain			Full		100.00%	100.00%
Multi Vest (France) 4 SAS		France	31/12/2010	< thresholds				
Newport Management SAS		France	31/12/2011	Merger				
			31/12/2010		Full		100.00%	100.00%
Partner's & Services		France			Full		100.00%	100.00%
Pyrotex SARL		Luxembourg			Full		100.00%	100.00%
S.C BNP Paribas Real Estate Advisory S.A		Romania	31/12/2011	Additional purchase	Full		100.00%	100.00%
			31/12/2010		Full		88.00%	88.00%
Sesame Conseil SAS		France	31/12/2011		Full		95.25%	95.25%
			31/12/2010	Purchase	Full		95.25%	95.25%
Siège Issy		France	31/12/2011	Incorporation	Full		100.00%	100.00%
Tasaciones Hipotecarias SA		Spain			Full		100.00%	100.00%
Via Crespi 26 SRL		Italy			Full		100.00%	100.00%
Weatheralls Consultancy Services Ltd.		UK			Full		100.00%	100.00%
Corporate and Investment Banking								
France								
BNP Paribas Arbitrage	*	France			Full		100.00%	100.00%
BNP Paribas Equities France	*	France			Full		99.96%	99.96%
BNP Paribas Equity Strategies		France	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	100.00%
BNP Paribas Stratégies Actions		France	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	100.00%
Esomet SAS		France			Full		100.00%	100.00%
Laffitte Participation 22		France			Full		100.00%	100.00%
Paribas Dérivés Garantis Snc		France	31/12/2011	Merger				
			31/12/2010		Full	2	100.00%	100.00%
Parifergie	*	France			Full		100.00%	100.00%
Parilease SAS	*	France			Full		100.00%	100.00%
Taitbout Participation 3 Snc		France			Full		100.00%	100.00%
Europe								
Alleray		Luxembourg	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	53.43%
Argance		Luxembourg	31/12/2010	< thresholds				
BNP Paribas Bank NV		Netherlands			Full		100.00%	100.00%
BNP Paribas Capital Investments Ltd.		UK	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
BNP Paribas CMG Ltd.		UK	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
BNP Paribas Commodity Futures Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Cyprus Ltd.		Cyprus	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
BNP Paribas E & B Ltd.		UK	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
BNP Paribas Finance PLC		UK	31/12/2011	New thresholds		4		
			31/12/2010		Full		100.00%	100.00%
BNP Paribas Ireland		Ireland			Full		100.00%	100.00%
BNP Paribas Net Ltd.		UK	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
BNP Paribas UK Holdings Ltd.		UK			Full		100.00%	100.00%
BNP Paribas UK Ltd.		UK			Full		100.00%	100.00%
BNP Paribas Vartry Reinsurance Ltd.		Ireland			Full	3	100.00%	100.00%
BNP Paribas ZAO		Russia			Full		100.00%	100.00%
BNP PUK Holding Ltd.		UK			Full		100.00%	100.00%
Calilux SARL		Luxembourg	31/12/2010	< thresholds				
Camomile Asset Finance (N°5) Partnership		UK	31/12/2010	< thresholds				
Camomile Investments UK Ltd.		UK	31/12/2011		Full		100.00%	100.00%
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Capstar Partners Ltd.		UK	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	100.00%
Dalgarno		Luxembourg	31/12/2010	< thresholds				
Delvino		Luxembourg	31/12/2010	< thresholds				
Eris Investissements		Luxembourg	31/12/2010	< thresholds				
FB Energy Trading S.à R.L.		Luxembourg	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	74.93%
Fidex Holdings Ltd.		UK			Full		100.00%	100.00%
Fortis Film Fund SA		Belgium	31/12/2010	< thresholds				
Fortis International Finance (Dublin)		Ireland	31/12/2011	< thresholds				
			31/12/2010		Full		100.00%	74.93%
Fortis International Finance Luxembourg SARL		Luxembourg	31/12/2011	Liquidation				
			31/12/2010	Additional purchase	Full		100.00%	100.00%
			31/12/2009	Purchase	Full		100.00%	74.93%
Fortis Park Lane Ireland Ltd.		Ireland	31/12/2010	< thresholds				
Fortis PF Investments (UK) Ltd.		UK	31/12/2010	< thresholds				

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Europe (cont'd)							
Fortis Proprietary Investment Ireland Ltd.	Ireland	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	74.93%
G I Finance	Ireland	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	74.93%
Harewood Holdings Ltd.	UK			Full		100.00%	100.00%
Landspire Ltd.	UK			Full		100.00%	100.00%
Mermoz Jet Finance	Spain	31/12/2010	< thresholds				
Money Alpha	France	31/12/2011	Dissolution				
		31/12/2010		Full		100.00%	74.93%
Money Beta	France	31/12/2011	Dissolution				
		31/12/2010		Full		100.00%	74.93%
Paribas Trust Luxembourg SA	Luxembourg	31/12/2011		Full		100.00%	53.43%
		31/12/2010	Partial disposal	Full		100.00%	53.43%
		31/12/2009		Full		100.00%	100.00%
Pattison	Luxembourg	31/12/2010	< thresholds				
Prestibel Left Village	Belgium	31/12/2010	< thresholds				
Quainton Funding SARL.	Luxembourg	31/12/2010	< thresholds				
Tabor Funding	Luxembourg	31/12/2010	< thresholds				
Upper Hatch Securities Ltd.	Ireland	31/12/2010	< thresholds				
Utexam Ltd.	Ireland	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
Utexam Logistics Ltd.	Ireland			Full		100.00%	100.00%
Verner Investissements (Groupe)	France			Equity		40.00%	50.00%
Americas							
ACG Capital Partners II LLC	U.S.A	31/12/2011	Passing qualifying thresholds	Prop.		50.00%	50.00%
		31/12/2010	Incorporation	Equity		50.00%	50.00%
ACG Investment Capital Partners LLC	U.S.A	31/12/2010	Additional purchase & < thresholds				
Banco BNP Paribas Brasil SA	Brazil			Full		100.00%	100.00%
Banexi Holding Corporation	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Canada	Canada			Full		100.00%	100.00%
BNP Paribas Capital Corporation Inc(ex-Fortis Capital Corporation)	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Capital Services Inc.	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Capstar Partners Inc.	U.S.A			Full		100.00%	100.00%
BNP Paribas Commodity Futures Inc.	U.S.A	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Energy Trading Canada Corp	Canada	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Energy Trading GP	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Energy Trading Holdings, Inc.	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas Energy Trading LLC	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
BNP Paribas FS LLC (ex-Fortis Securities LLC)	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
BNP Paribas Leasing Corporation	U.S.A			Full		100.00%	100.00%
BNP Paribas Mortgage Corporation	U.S.A			Full		100.00%	100.00%
BNP Paribas North America Inc.	U.S.A			Full		100.00%	100.00%
BNP Paribas Prime Brokerage Inc.	U.S.A			Full		100.00%	100.00%
BNP Paribas Prime Brokerage International Ltd.	Cayman Islands			Full		100.00%	100.00%
BNP Paribas RCC Inc.	U.S.A			Full		100.00%	100.00%
BNP Paribas Securities Corporation	U.S.A			Full		100.00%	100.00%
Camomile Alzette Investments (UK) Ltd.	Cayman Islands	31/12/2010	< thresholds				
Camomile Canopia Trading (UK) Ltd.	Cayman Islands	31/12/2011	Loss of control				
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Pearl (UK) Ltd.	Cayman Islands	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Camomile Ulster Investments (UK) Ltd.	Cayman Islands	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Capstar Partners LLC	U.S.A	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010		Full		100.00%	100.00%
CF Leasing Ltd.	Bermuda	31/12/2010	Partial disposal & Integration in the Cronos Group				
CooperNeff Group Inc.	U.S.A			Full		100.00%	100.00%
Cronos Holding Company Ltd. (Groupe)	Bermuda	31/12/2011		Equity		30.00%	22.40%
		31/12/2010	Purchase	Equity		30.00%	22.40%
FB Energy Holdings LLC	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	74.93%
FB Holdings Canada Corp	Canada	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	74.93%
FB Transportation Capital LLC	U.S.A			Full		100.00%	74.93%
FBC Ltd.	Bermuda	31/12/2010	Liquidation				
Fortis Capital (Canada) Ltd.	Canada	31/12/2010	Merger				
Fortis Funding LLC	U.S.A			Full		100.00%	74.93%

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2 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Americas (cont'd)							
Fortis Prime Fund Solutions (USA) LLC	U.S.A	31/12/2010	< thresholds				
Fortis Proprietary Capital Inc.	U.S.A	31/12/2011	Dissolution				
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
French American Banking Corporation - F.A.B.C	U.S.A			Full		100.00%	100.00%
FSI Holdings Inc.	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Harewood Asset Management (US) Inc.	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
Innocap Investment Management Inc.	Canada	31/12/2011	New thresholds		4		
		31/12/2010		Equity		25.00%	25.00%
Paribas North America Inc.	U.S.A			Full		100.00%	100.00%
Paribas Participations Limitee	Canada	31/12/2011	Liquidation				
		31/12/2010		Full		100.00%	100.00%
Petits Champs Participaçoes e Serviços SA	Brazil			Full		100.00%	100.00%
RFH Ltd.	Bermuda	31/12/2011		Equity		100.00%	74.68%
		31/12/2010	Additional purchase	Equity		100.00%	74.68%
		31/12/2009	Purchase	Equity		50.00%	49.57%
SDI Media Central Holdings Corp.	U.S.A	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	100.00%
TAP Ltd	Bermuda	31/12/2011	Incorporation	Equity	1	65.00%	48.54%
TCG Fund I, L.P	Cayman Islands			Full		99.66%	74.68%
Textainer Marine Containers Ltd.	Bermuda	31/12/2011	Disposal				
		31/12/2010		Equity		25.00%	18.73%
Trip Rail Holdings LLC	U.S.A	31/12/2011	New thresholds		4		
		31/12/2010	Passing qualifying thresholds	Equity		16.33%	12.19%
Via North America, Inc.	U.S.A	31/12/2011		Full		100.00%	100.00%
		31/12/2010	Passing qualifying thresholds	Full		100.00%	100.00%
Asia - Oceania							
ACG Capital Partners Singapore Pte. Ltd	Singapore	31/12/2011	Passing qualifying thresholds	Prop.		50.00%	50.00%
		31/12/2010	Incorporation	Equity		50.00%	50.00%
BNP Equities Asia Ltd.	Malaysia	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
BNP Pacific (Australia) Ltd.	Australia			Full		100.00%	100.00%
BNP Paribas (China) Ltd.	China			Full		100.00%	100.00%
BNP Paribas Arbitrage (Hong-Kong) Ltd.	Hong-Kong			Full		100.00%	100.00%
BNP Paribas Capital (Asia Pacific) Ltd.	Hong-Kong			Full		100.00%	100.00%
BNP Paribas Capital (Singapore) Ltd.	Singapore	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Finance (Hong-Kong) Ltd.	Hong-Kong			Full		100.00%	100.00%
BNP Paribas Futures (Hong-Kong) Ltd.	Hong-Kong	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas India Solutions Private Ltd.	India			Full		100.00%	100.00%
BNP Paribas Japan Ltd.	Japan			Full		100.00%	100.00%
BNP Paribas Principal Investments Japan Ltd.	Japan			Full		100.00%	100.00%
BNP Paribas Securities (Asia) Ltd.	Hong-Kong			Full		100.00%	100.00%
BNP Paribas Securities India Private Ltd.	India			Full		100.00%	66.79%
BNP Paribas Securities (Japan) Ltd.	Hong-Kong			Full		100.00%	100.00%
BNP Paribas Securities Japan Ltd.	Japan	31/12/2011	Incorporation	Full		100.00%	100.00%
BNP Paribas Securities (Taiwan) Co Ltd.	Taiwan			Full		100.00%	100.00%
BNP Paribas Securities Korea Company Ltd.	South Korea			Full		100.00%	100.00%
BNP Paribas Securities (Singapore) Pte Ltd.	Singapore			Full		100.00%	100.00%
BNP Paribas Services (Hong Kong) Ltd.	Hong-Kong	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
BPP Holdings Pte Ltd.	Singapore			Full		100.00%	100.00%
Celestial Hong Kong Ltd.	Hong-Kong	31/12/2010	< thresholds				
Generale Belgian Finance Cy Ltd.	Hong-Kong	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Paribas Asia Equity Ltd.	Hong-Kong	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	100.00%
PT Bank BNP Paribas Indonésia	Indonesia			Full		100.00%	99.99%
PT BNP Paribas Securities Indonesia	Indonesia			Full		99.00%	99.00%
Wa Pei Finance Company Ltd.	Hong-Kong	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Wa Pei Properties Ltd.	Hong-Kong	31/12/2011	New thresholds		4		
		31/12/2010	Additional purchase	Full		100.00%	100.00%
		31/12/2009	Purchase	Full		100.00%	74.93%
Middle East							
BNPP Investment Company KSA	Saudi Arabia	31/12/2011	Passing qualifying thresholds	Equity	1	100.00%	100.00%
Special Purpose Entities							
54 Lombard Street Investments Ltd.	UK			Full			
2007 Panda Finance 2 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
2008 Marie Finance SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
2008 Newine Finance 5 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
2008 Panda Finance 6 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
2008 Panda Finance 7 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
2008 Panda Finance 11 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Special Purpose Entities (cont'd)							
2009 Koala Finance - MSN 36742	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Alandes BV	Netherlands			Full	2		
Alectra Finance PLC	Ireland			Full			
Antin Participation 8	France	31/12/2011	Incorporation	Full			
APAC Finance Ltd.	New Zealand	31/12/2010	Liquidation				
APAC Investments Ltd.	New Zealand	31/12/2010	Liquidation				
APAC NZ Holdings Ltd.	New Zealand			Full			
Aquarius Capital Investments Ltd.	Ireland			Full			
ARV International Ltd.	Cayman Islands			Full			
Astir BV	Netherlands			Full			
Atargatis SNC	France			Full			
Aura Capital Investment SA	Luxembourg	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
Austin Finance	France			Full			
Betul 1 à 4	France	31/12/2011	New thresholds		4		
		31/12/2010	Incorporation	Full			
Black Kite Investment Ltd.	Ireland			Full			
BNP Paribas Arbitrage Issuance BV	Netherlands			Full			
BNP Paribas Complex Fundo de Investimento Multimercado	Brazil			Full			
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado	Brazil	31/12/2011		Full			
		31/12/2010	Passing qualifying thresholds	Full			
BNP Paribas Emission-und Handel. GmbH	Germany			Full			
BNP Paribas Finance Inc.	U.S.A			Full			
BNP Paribas Islamic Issuance BV	Netherlands			Full			
BNP Paribas Proprietario Fundo de Investimento Multimercado	Brazil			Full			
BNP Paribas VPG Adonis LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Brookfin LLC (ex-BNP Paribas VPG Station Casino)	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Brookline Cre, LLC	U.S.A	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
BNP Paribas VPG BMC Select LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG CB Lender LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG CT Holdings LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Freedom Communications LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Lake Butler LLC (ex-BNP Paribas VPG Journal Register LLC)	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Legacy Cabinets LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Mark IV LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Master LLC	U.S.A	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
BNP Paribas VPG Medianews Group LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG MGM LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Modern Luxury Media LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Northstar LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG PCMC LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG Reader's Digest Association LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG RHI Holdings LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG SBX Holdings LLC	U.S.A	31/12/2011	Incorporation	Full			
BNP Paribas VPG SDI Media LLC	U.S.A	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
BNP Paribas VPG Semgroup LLC	U.S.A	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
BNP Paribas VPG Titan Outdoor LLC	U.S.A	31/12/2011	Incorporation	Full			
Boug BV (ex-Bougainville BV)	Netherlands			Full			
China Jenna Finance 1 à 3 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
China Lucie Finance 1 à 3 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
China Marie Finance 1 et 2 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
China Newine Finance 1 à 4 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
China Samantha Finance 1 à 10 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Compagnie Financière de la Porte Neuve SA	Luxembourg	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Compagnie Investissement Italiens SNC	France			Full			
Compagnie Investissement Opéra SNC	France			Full			
Crisps Ltd.	Cayman Islands	31/12/2010	Dissolution				
CSACL Tiger Finance	France	31/12/2011	New thresholds		4		
		31/12/2010	Incorporation	Full			
Delphinus Titri 2010 SA	Luxembourg	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
Epsom Funding Ltd.	Cayman Islands			Full			
Esra 1 à 3 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010	Incorporation	Full			
Euraussie Finance SARL	Luxembourg			Full			
Fidex Ltd.	UK			Full			
Financière des Italiens SAS	France			Full			
Financière Paris Haussmann	France			Full			
Financière Taitbout	France			Full			
Fintrack Sirocco	France	31/12/2010	Merger				
Global Liberté	Ireland	31/12/2010	< thresholds				
Grenache et Cie SNC	Luxembourg			Full			
Harewood Investments N°2 à 4 Ltd.	UK	31/12/2011	< thresholds				
		31/12/2010		Full			
Harewood Investments N°5 Ltd.	Cayman Islands			Full			
Harewood Investments N°7 Ltd.	Cayman Islands	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
Harewood Investment n°8 Ltd.	Cayman Islands	31/12/2011	Incorporation	Full			
Henaross Pty Ltd.	Australia	31/12/2010	< thresholds				
Iliad Investments PLC	Ireland			Full			
Leveraged Finance Europe Capital V BV	Netherlands			Full			
Liquidity Ltd.	Cayman Islands	31/12/2011		Full			
		31/12/2010	Passing qualifying thresholds	Full			

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Special Purpose Entities (cont'd)							
Lisia I Ltd.	Jersey	31/12/2010	Dissolution				
Marc Finance Ltd.	Cayman Islands			Full			
Méditerranéa SNC	France			Full			
Omega Capital Investments Plc	Ireland			Full			
Omega Capital Europe PLC	Ireland			Full			
Omega Capital Funding Ltd.	Ireland			Full			
Optichamps	France			Full			
Parritaye Pty Ltd.	Australia	31/12/2010	< thresholds				
Participations Opéra	France			Full			
Reconfiguration BV	Netherlands	31/12/2011		Full	2		
		31/12/2010	Incorporation	Full	2		
Renaissance Fund III	Japan	31/12/2011	New thresholds	Equity	4		
		31/12/2010		Full			
Renaissance Fund IV	Japan	31/12/2011	Liquidation				
		31/12/2010		Full			
Ribera del Loira Arbitrage SL	Spain			Full			
Robin Flight Ltd.	Ireland	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Royale Neuve II Sarl	Luxembourg			Full			
Royale Neuve V Sarl	Luxembourg			Full			
Royale Neuve VI Sarl	Luxembourg			Full			
Royale Neuve VII Sarl	Luxembourg	31/12/2011	Passing qualifying thresholds	Full			
Royale Neuve Finance SARL	Luxembourg			Full			
Royale Neuve Investments Sarl	Luxembourg			Full			
Scaldis Capital (Ireland) Ltd.	Ireland			Full	2		
Scaldis Capital Ltd.	Jersey			Full	2		
Scaldis Capital LLC	U.S.A	31/12/2011		Full	2		
		31/12/2010	Passing qualifying thresholds	Full	2		
Singapore Emma Finance 1 & 2 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Stradios FCP FIS	Luxembourg	31/12/2011		Full			
		31/12/2010	Incorporation	Full			
Sunny Funding Ltd.	Cayman Islands			Full			
Swallow Flight Ltd.	Ireland	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Swan 1 à 3 SAS	France	31/12/2011	New thresholds		4		
		31/12/2010		Full			
Tender Option Bond Municipal program	U.S.A			Full			
Thunderbird Investments PLC	Ireland			Full			
Other Business Units							
Private Equity							
Cobema	Belgium			Full		100.00%	100.00%
Compagnie Financière Ottomane SA	Luxembourg			Full		96.92%	96.89%
Erbe	Belgium	31/12/2011	Partial disposal	Equity		42.51%	42.51%
		31/12/2010		Equity		47.01%	47.01%
FCM Private Equity SL	Spain	31/12/2010	< thresholds				
Fondo Nazca I FCR	Spain	31/12/2010	Dissolution				
Fortis Private Equity Asia Fund SA	Belgium	31/12/2010	< thresholds				
Fortis Private Equity Belgium NV	Belgium			Full		100.00%	74.93%
Fortis Private Equity Expansion Belgium NV	Belgium			Full		100.00%	74.93%
Fortis Private Equity France Fund	France			Full		100.00%	74.95%
Fortis Private Equity France SAS	France	31/12/2010	< thresholds				
Fortis Private Equity Management NV	Belgium	31/12/2010	< thresholds				
Fortis Private Equity Venture Belgium SA	Belgium			Full		100.00%	74.93%
Gepeco	Belgium			Full		100.00%	100.00%
Nazca Inversiones SA	Spain	31/12/2010	< thresholds				
Property companies (property used in operations)							
Antin Participation 5	France			Full		100.00%	100.00%
Ejesur	Spain	31/12/2011	New thresholds	Equity	4	100.00%	100.00%
		31/12/2010		Full		100.00%	100.00%
Foncière de la Compagnie Bancaire SAS	France			Full		100.00%	100.00%
Noria SAS	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
Société Immobilière Marché Saint-Honoré	France			Full		100.00%	100.00%
Société d'Etudes Immobilières de Constructions - Setic	France			Full		100.00%	100.00%
Investment companies and other subsidiaries							
Ardi Immo	Luxembourg	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	100.00%
BNL International Investment SA	Luxembourg			Full		100.00%	100.00%
BNL Multiservizi SRL	Italy	31/12/2011	New thresholds		4		
		31/12/2010		Equity	1	100.00%	100.00%
BNP Paribas Home Loan SFH (ex-BNP Paribas Home Loan Covered Bonds)	France			Full		100.00%	100.00%
BNP Paribas International BV	Netherlands	31/12/2011	Merger				
		31/12/2010		Full		100.00%	100.00%
BNP Paribas Mediterranée Innovation & Technologies	Morocco			Full		100.00%	96.67%
BNP Paribas Partners for Innovation (Groupe)	France			Equity		50.00%	50.00%
BNP Paribas Public Sector *	France	31/12/2010		Full		100.00%	100.00%
BNP Paribas SB Re	Luxembourg			Full	3	100.00%	100.00%
BNP Paribas UK Treasury Ltd.	UK	31/12/2011	New thresholds		4		
		31/12/2010		Full		100.00%	100.00%
Compagnie d'Investissements de Paris - C.I.P	France			Full		100.00%	100.00%
Financière BNP Paribas	France			Full		100.00%	100.00%
Financière du Marché Saint Honoré	France			Full		100.00%	100.00%
Fintrimo SA	Belgium	31/12/2010	< thresholds				
Fortis Bank Reinsurance SA	Luxembourg	31/12/2011	Additional purchase	Full	3	100.00%	100.00%
		31/12/2010		Full	3	100.00%	74.93%
Fortis Money Short Term Fund	France	31/12/2010	Additional purchase & Liquidation				
		31/12/2009	Purchase	Full		100.00%	73.34%
GeneralCorp 10	Luxembourg	31/12/2011	New thresholds		4		
		31/12/2010		Full	3	100.00%	74.93%

Name	Country	Change in the scope of consolidation		Method		Group voting interest (%)	Group ownership interest (%)
Investment companies and other subsidiaries (cont'd)							
Genfinance International SA	Belgium	31/12/2010	< thresholds				
GIE Groupement Auxiliaire de Moyens	France			Full		100.00%	100.00%
Internaxx Bank	Luxembourg	31/12/2010	Disposal				
Le Sphinx Assurances Luxembourg SA	Luxembourg			Equity	1	100.00%	100.00%
Loft Beck Ltd. (ex-Postbank Ireland Ltd)	Ireland	31/12/2011	< thresholds				
		31/12/2010		Equity		50.00%	26.71%
Margaret Inc. (ex- Montag & Caldwell Inc.)	U.S.A	31/12/2011	< thresholds				
		31/12/2010		Full		100.00%	74.93%
Omnium de Gestion et de Developpement Immobilier	France			Full		100.00%	100.00%
Plagefin - Placement, Gestion, Finance Holding SA	Luxembourg	31/12/2011		Full		100.00%	53.43%
		31/12/2010	Partial disposal	Full		100.00%	53.43%
		31/12/2009		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 2 (ex-UCB Bail)	France			Full		100.00%	100.00%
UCB Entreprises *	France			Full		100.00%	100.00%
UCB Locabail immobilier 2 (ex-UCB Locabail immobilier)	France			Equity	1	100.00%	100.00%
Special Purpose Entities							
BNP Paribas Capital Trust LLC 4 - 6	U.S.A			Full			
BNP Paribas Capital Preferred LLC 4 - 6	U.S.A			Full			
BNP Paribas US Medium Term Notes Program	U.S.A			Full			
BNP Paribas US Structured Medium Term Notes LLC	U.S.A			Full			
Klépierre							
Klépierre SA	France			Full		57.45%	52.01%
Acheres 2000 SCI	France			Equity		30.00%	15.60%
Albert 31 SCI	France			Full		100.00%	43.17%
Amanda Storesenter AS	Norway			Full		100.00%	29.18%
Angoumars SNC	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Anpartsselskabet AF	Denmark	31/12/2010	Dissolution				
Arcol Group AS	Slovakia			Full		100.00%	52.01%
Arken Drift AS	Norway			Prop.		49.90%	14.56%
Asane Hotellutvikling AS	Norway	31/12/2011	Incorporation	Prop.		49.90%	14.56%
Asane Kontorutvikling AS	Norway	31/12/2011	Incorporation	Prop.		49.90%	14.56%
Asane Kulturutvikling AS	Norway	31/12/2011	Incorporation	Prop.		49.90%	14.56%
Asane Senter AS	Norway	31/12/2011		Prop.		49.90%	14.56%
		31/12/2010	Passing qualifying thresholds	Prop.		49.90%	14.44%
Asane Storsenter DA	Norway			Prop.		49.90%	14.56%
Aulnes Developpement SCI	France			Prop.		50.00%	13.26%
Bassin Nord SCI	France			Prop.		50.00%	26.01%
Beau Sevran Invest SCI	France			Full		100.00%	43.17%
Begles Arcins SCS	France			Full		52.00%	27.05%
Bègles Papin SCI	France			Full		100.00%	52.01%
Belvedere Invest SARL	France	31/12/2011	Partial disposal	Full		55.00%	28.61%
		31/12/2010		Full		75.00%	38.69%
Besançon Chalezeule SCI	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Bestes	Czech Republic	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Bois des Fenêtres SARL	France			Equity		20.00%	10.40%
Bruun's Galleri AS	Denmark			Full		100.00%	29.18%
Bryggen Vejle AS	Denmark			Full		100.00%	29.18%
Capucine BV	Netherlands			Full		100.00%	52.01%
Carré Jaude 2	France			Full		100.00%	52.01%
CB Pierre SAS	France	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Cecobil SAS	France			Prop.		50.00%	26.01%
Cecoville SAS	France			Full		100.00%	52.01%
Centre Bourse SC	France			Full		100.00%	52.01%
Centre Jaude Clermont SAS	France			Full		100.00%	52.01%
Clivia SPA	Italy			Prop.		50.00%	26.01%
Combault SCI	France			Full		100.00%	52.01%
Compagnie Immobilière du Brabant Wallon - Coimbra SA	Belgium			Full		100.00%	52.01%
Corvin Retail	Hungary	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Corvin Vision Kft	Hungary	31/12/2011	Purchase	Full		66.66%	34.64%
Cspl 2002	Hungary			Full		100.00%	52.01%
Debrecen 2002	Hungary			Full		100.00%	52.01%
Des Dunes SCI	France			Prop.		50.00%	26.01%
Des Salines SCI	France			Prop.		50.00%	26.01%
Detaljhandelshuset i Hyllinge AB	Sweden			Full		100.00%	29.18%
Down Town Drift AS	Norway	31/12/2010	Disposal				
Du Plateau SCI	France	31/12/2011	Partial disposal	Equity		30.00%	10.22%
		31/12/2010		Equity		30.00%	12.52%
Duna Plaza	Hungary			Full		100.00%	52.01%
Duna Plaza Irodahaz	Hungary	31/12/2011	Merger				
		31/12/2010		Full		100.00%	51.59%
Ejendomsselskabet Klampenborgvej I/S	Denmark	31/12/2010	Dissolution				
Entreprenorselskapet AF	Denmark			Full		100.00%	29.18%
Fastighets AB Allum	Sweden			Full		100.00%	29.18%
Fastighets AB Borlange Kopcentrum	Sweden			Full		100.00%	29.18%
Fastighets AB Centrum Vasterort	Sweden			Full		100.00%	29.18%
Fastighets AB CentrumInvest	Sweden			Full		100.00%	29.18%
Fastighets AB Emporia	Sweden			Full		100.00%	29.18%
Fastighets AB Hageby Centrum	Sweden			Full		100.00%	29.18%
Fastighets AB Lackeraren Borlange	Sweden	31/12/2011		Full		100.00%	29.18%
		31/12/2010	Purchase	Full		100.00%	28.94%
Fastighets AB Lantmateribacken	Sweden			Full		100.00%	29.18%
Fastighets AB Marieberg Centrum	Sweden			Full		100.00%	29.18%
Fastighets AB Molndal Centrum	Sweden			Full		100.00%	29.18%
Fastighets AB Overby Kopcentrum	Sweden			Full		100.00%	29.18%
Fastighets AB P Akanten	Sweden			Full		100.00%	29.18%
Fastighets AB P Brodalen	Sweden			Full		100.00%	29.18%

* 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 - Entities excluded from the prudential scope of consolidation

3 - Entities consolidated under the equity method for prudential purposes

4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
Fastighets AB P Porthalla	Sweden			Full	100.00%	29.18%
Fastighets AB Sollentuna Centrum	Sweden			Full	100.00%	29.18%
Fastighets AB Uddevallatorp	Sweden			Full	100.00%	29.18%
Fastighets AB Viskaholm	Sweden			Full	100.00%	29.18%
Farmandstredet ANS	Norway			Full	100.00%	29.18%
Farmandstredet Eiendom AS	Norway			Full	100.00%	29.18%
Farmanstredet Drift AS	Norway	31/12/2010	Merger			
Field's Copenhagen IS	Denmark			Full	100.00%	29.18%
Field's Ejer I AS	Denmark			Full	100.00%	29.18%
Field's Ejer II AS	Denmark			Full	100.00%	29.18%
Foncière de Louvain la Neuve SA	Belgium			Full	100.00%	52.01%
Fonciere Saint Germain SNC	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Forving SARL	France	31/12/2011	Additional purchase	Full	93.15%	48.45%
		31/12/2010		Full	90.00%	46.43%
Fritzoe Brygge Drift AS	Norway	31/12/2010	Dissolution			
Galae SNC	France			Full	100.00%	52.01%
Galeria Parque Nascente - Exploracao de espaços comerciais SA	Portugal			Full	100.00%	52.01%
Galeries Drancéennes	France			Full	100.00%	52.01%
Galleria Commerciale Assago SRL	Italy			Full	100.00%	52.01%
Galleria Commerciale Cavallino SRL	Italy			Full	100.00%	52.01%
Galleria Commerciale Collegno SRL	Italy			Full	100.00%	52.01%
Galleria Commerciale Il Destriero SRL	Italy			Prop.	50.00%	26.01%
Galleria Commerciale Klépierre SRL	Italy			Full	100.00%	52.01%
Galleria Commerciale Serravalle SPA	Italy			Full	100.00%	52.01%
Galleria Commerciale Solbiate SRL	Italy			Full	100.00%	52.01%
GE Co SRL	Italy	31/12/2011	Purchase	Full	100.00%	37.08%
Général Leclerc 11-11bis Levallois SNC	France	31/12/2010	Merger			
Girardin SCI	France			Prop.	33.40%	17.37%
Gondobrico - Comercio de produtos e artigos de bricolage SA	Portugal			Full	100.00%	52.01%
Grytingen Nya AB	Sweden			Full	64.79%	18.91%
Gulskogen Prosjekt & Eiendom AS	Norway			Full	100.00%	29.18%
Gulskogen Senter ANS	Norway			Full	100.00%	29.18%
Györ 2002	Hungary			Full	100.00%	52.01%
Hamar Storsenter AS	Norway			Full	100.00%	29.18%
Hamar Storsenterdrift AS	Norway	31/12/2010	Merger			
Holding Gondomar 1 SAS	France			Full	100.00%	52.01%
Holding Gondomar 3 SAS	France			Full	100.00%	52.01%
Holding Gondomar 4 SAS	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Holding Klege SARL	Luxembourg			Prop.	50.00%	26.01%
Holmen Senterdrift AS	Norway	31/12/2010	Disposal			
Hovlandbanen AS	Norway			Full	100.00%	29.18%
Immo Dauland	France			Full	100.00%	43.76%
Immobiliare Gallerie Commerciali S. p. A.	Italy			Full	71.30%	37.08%
Immobilière de la Pommeraie SCI	France			Prop.	50.00%	26.01%
Investimenti Commerciali Savignano	Italy	31/12/2011	Purchase	Full	100.00%	37.08%
K2 Fund	Italy			Full	85.00%	44.21%
Kanizsa 2002	Hungary			Full	100.00%	52.01%
Kaposvar 2002	Hungary			Full	100.00%	52.01%
Karl Johansgate 16 AS	Norway	31/12/2010	Disposal			
KC 1 à 12 SNC	France			Full	100.00%	43.17%
KC20 SNC	France			Full	100.00%	43.17%
KLE 1 SAS	France			Full	100.00%	52.01%
Kle Projet 1 SAS	France			Full	100.00%	52.01%
Kleaveiro Immobiliaria SA	Portugal	31/12/2010	< thresholds			
Kleber la Perouse SNC	France			Full	100.00%	52.01%
Klecapnor SAS	France			Full	100.00%	43.75%
Klecar Europe Sud SCS	France			Full	83.00%	43.20%
Klecar Foncier Espana SA	Spain			Full	100.00%	43.17%
Klecar Foncier Iberica SA	Spain			Full	100.00%	43.20%
Klecar France SNC	France			Full	83.00%	43.17%
Klecar Italia SPA	Italy			Full	100.00%	43.17%
Klecar Participations Italie SAS	France			Full	83.00%	43.17%
Klefin Italia SPA	Italy			Full	100.00%	52.01%
Klege Portugal SA	Portugal			Prop.	50.00%	26.01%
Klelou Imobiliaria SA	Portugal			Full	100.00%	52.01%
Klementine BV	Netherlands			Full	100.00%	52.01%
Kleminho Imobiliaria SA	Portugal			Full	100.00%	52.01%
Klemurs SAS	France			Full	84.11%	43.75%
Klenord Imobiliaria SA	Portugal			Full	100.00%	52.01%
Klepierre Athinon Foncière	Greece			Full	100.00%	43.17%
Klépierre Conseil SNC	France			Full	100.00%	52.01%
Klepierre Corvin	Hungary			Full	100.00%	52.01%
Klépierre Créteil SCI	France			Full	100.00%	52.01%
Klepierre CZ SRO	Czech Republic			Full	100.00%	52.01%
Klépierre Finance SAS	France			Full	100.00%	52.01%
Klepierre Galeria Krakow SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Galeria Poznan SP z.o.o	Poland	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Klepierre Krakow SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Larissa Ltd.	Greece			Full	100.00%	52.01%
Klepierre Lublin SP z.o.o	Poland			Full	100.00%	52.01%
Klépierre Luxembourg SA	Luxembourg			Full	100.00%	52.01%
Klepierre Makedonia Foncière	Greece			Full	100.00%	43.17%
Klepierre Matera SRL	Italy			Full	100.00%	52.01%
Klepierre Meteores	Luxembourg	31/12/2010	Merger			
Klepierre Molina	Spain	31/12/2011	Incorporation	Full	100.00%	52.01%
Klepierre NEA Efkarpia Foncière	Greece			Full	100.00%	43.17%
Klepierre Nordica BV	Netherlands			Full	100.00%	52.01%
Klépierre Participations et Financements SAS	France			Full	100.00%	52.01%
Klepierre Perivola of Patra Foncière	Greece			Full	100.00%	43.17%
Klepierre Plzen AS	Czech Republic			Full	100.00%	52.01%
Klepierre Pologne SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Portugal SGPS SA	Portugal			Full	100.00%	52.01%
Klepierre Poznan SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Praha SRO (ex-Entertainment Plaza)	Czech Republic			Full	100.00%	52.01%

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
Klepierre Rybnik SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Sadyba SP z.o.o	Poland			Full	100.00%	52.01%
Klepierre Sosnowiec SP z.o.o	Poland			Full	100.00%	52.01%
Klépierre Tourville	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Klepierre Trading Energia Kereskedelmi es Szolgaltato KFT	Hungary			Full	100.00%	52.01%
Klepierre Vallecas SA	Spain			Full	100.00%	52.01%
Klepierre Vinaza SA	Spain	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Kletel Imobiliaria SA	Portugal			Full	100.00%	52.01%
Kletransactions SNC	France			Full	100.00%	52.01%
Krakow Plaza SP z.o.o	Poland			Full	100.00%	52.01%
Krokstadelva Senterdrift AS	Norway	31/12/2010	Disposal			
KS Down Town Senter	Norway	31/12/2010	Dissolution			
KS Down Town Senter II	Norway	31/12/2010	Dissolution			
KS Markedet	Norway			Full	100.00%	29.18%
Kvadrat Drift AS	Norway	31/12/2010	Disposal			
L'Emperi SCI	France	31/12/2010	Disposal			
La Française SCI	France			Prop.	50.00%	26.01%
La Plaine du Moulin à vent SCI	France			Prop.	50.00%	26.01%
La Rive SCI	France	31/12/2011	Additional purchase	Full	85.00%	44.21%
		31/12/2010	Additional purchase	Full	51.50%	26.57%
		31/12/2009		Full	47.30%	24.22%
La Rocade SCI	France			Equity	38.00%	19.76%
La Rocade Ouest SCI	France			Equity	36.73%	19.10%
La Roche Invest SCI	France			Full	100.00%	52.01%
Le Champs de Mais SCI	France			Equity	40.00%	20.80%
Le Champs des Haies SCI	France			Full	60.00%	31.21%
LC SCI	France	31/12/2011		Full	100.00%	45.77%
		31/12/2010	Additional purchase	Full	100.00%	45.40%
		31/12/2009		Full	60.00%	18.43%
Le Barjac Victor SNC	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Le Grand Pré SCI	France			Full	60.00%	31.21%
Le Havre Lafayette SNC	France			Prop.	50.00%	26.01%
Le Havre Vauban SNC	France			Prop.	50.00%	26.01%
Le Mais SCI	France	31/12/2011		Full	80.00%	41.61%
		31/12/2010	Additional purchase	Full	80.00%	41.27%
		31/12/2009		Full	60.00%	30.72%
Le Plateau des Haies SCI	France	31/12/2011	Additional purchase	Full	100.00%	52.01%
		31/12/2010		Full	90.00%	46.43%
Les Bas Champs SCI	France			Prop.	50.00%	26.01%
Les Boutiques de Saint Maximin	France			Equity	42.50%	22.10%
Les Boutiques d'Osny SCI	France	31/12/2011	Disposal			
		31/12/2010		Full	67.00%	19.74%
Les Cinémas de l'Esplanade SA	Belgium			Full	100.00%	52.01%
Les Haies de la Haute Pommeraie SCI	France			Full	53.00%	27.57%
Les Jardins des Princes à Boulogne Billancourt SNC	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Lille Eiendom AS	Norway			Full	66.00%	19.26%
LP7 SAS	France			Full	100.00%	52.01%
Markedet Haugesund AS	Norway	31/12/2011	Incorporation	Full	100.00%	29.18%
Mass Center Torp AB	Sweden			Full	100.00%	29.18%
Maximeuble SCI	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Metro Drift AS	Norway	31/12/2010	Merger			
Metro Senter ANS	Norway			Prop.	50.00%	14.59%
Miskolc 2002	Hungary			Full	100.00%	52.01%
MittiCity i Karlstad FAB	Sweden			Full	100.00%	29.18%
Molndal Centrum Byggnads FAB	Sweden			Full	100.00%	29.18%
Molndal Centrum Koljan 1FAB	Sweden	31/12/2011		Full	100.00%	29.18%
		31/12/2010	Purchase	Full	100.00%	28.94%
Molndal Centrum Karpen 12 FAB	Sweden	31/12/2011		Full	100.00%	29.18%
		31/12/2010	Purchase	Full	100.00%	28.94%
Mosseporten Drift AS	Norway	31/12/2010	Disposal			
Movement Poland SA	Poland			Full	100.00%	52.01%
Nancy Bonsecours SCI	France			Full	100.00%	52.01%
Nerstranda AS	Norway			Full	100.00%	29.18%
Nerstranda Drift AS	Norway	31/12/2010	Merger			
Noblespecialiste	France	31/12/2009	Merger			
Nordal ANS	Norway			Prop.	50.00%	14.59%
Nordbyen Senter AS	Norway	31/12/2011	Incorporation	Full	100.00%	29.18%
Nordbyen Senterforening AS	Norway			Full	69.20%	20.19%
Nordica Holdco AB	Sweden			Full	56.10%	29.18%
Norsk Kjopesenterforvaltning AS	Norway			Full	100.00%	29.18%
North Man Sverige AB	Sweden			Full	100.00%	29.18%
Nyiregyhaza Plaza	Hungary			Full	100.00%	52.01%
Odysseum Place de France SAS	France			Prop.	50.00%	26.01%
Okern Eiendom ANS	Norway			Prop.	50.00%	14.59%
Okern Holding AS	Norway	31/12/2010	Merger			
Okern Sentrum ANS	Norway			Prop.	50.00%	14.59%
Okern Sentrum AS	Norway			Prop.	50.00%	14.59%
Okern Sentrum Drift AS	Norway	31/12/2010	Merger			
Os Alle 3 AS	Norway			Full	100.00%	29.18%
Os Alle Drift AS	Norway	31/12/2010	Merger			
Osny Invest SCI	France	31/12/2011	Disposal			
		31/12/2010		Full	57.12%	29.47%
Ostfoldhallen Drift AS	Norway	31/12/2010	Disposal			
Ostra Centrum i Kristianstad Fastighets AB	Sweden	31/12/2011	Purchase	Full	100.00%	29.18%
Parc de Coquelles SNC	France			Prop.	50.00%	26.01%
Partille Lexby AB	Sweden			Full	100.00%	29.18%
Pasteur SNC	France			Full	100.00%	52.01%
Pilsen Plaza SRO	Czech Republic	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%

* French subsidiaries whose regulatory supervision falls within the scope of the consolidated Group, in accordance with article 4.1 of CRBF regulation 2000.03.

1 - Simplified consolidation by the equity method (non-material entities)
2 - Entities excluded from the prudential scope of consolidation
3 - Entities consolidated under the equity method for prudential purposes
4 - As of 01/01/2011, the consolidation thresholds have been updates (see Summary of significant accounting policies applied by the Group § 1.b.1)

Name	Country	Change in the scope of consolidation		Method	Group voting interest (%)	Group ownership interest (%)
Klépierre (cont'd)						
Place de l'accueil SA	Belgium			Full	100.00%	52.01%
Pommeraie Parc SC	France			Full	60.00%	31.21%
Poznan Plaza SP z.o.o	Poland	31/12/2011	Liquidation	Full	100.00%	51.59%
		31/12/2010		Full	100.00%	52.01%
Progest	France			Full	51.00%	26.53%
Proreal SARL	France			Full	51.00%	26.53%
Prosjektselskabet af 10.04.2001 APS	Denmark			Full	100.00%	29.18%
Rebecca SCI	France			Full	70.00%	36.41%
Reze Sud SA	France	31/12/2010	Disposal			
Ruda Slaska Plaza SP z.o.o	Poland			Full	100.00%	52.01%
Rybnik Plaza SP z.o.o	Poland	31/12/2010	Liquidation			
Sadyba Best Mall Spzoo (ex-Klepierre Warsaw Sp z.o.o)	Poland			Full	100.00%	52.01%
Sadyba Center SA	Poland			Full	100.00%	52.01%
Saint Maximin Construction SCI	France			Full	55.00%	28.61%
Sandens Drift AS	Norway	31/12/2010	Disposal			
Sandri-Rome SCI	France	31/12/2010	Disposal			
Seco valde SCI	France			Full	55.00%	28.61%
Ségécé	France			Full	100.00%	52.01%
Ségécé Ceska Republika SRO	Czech Republic			Full	100.00%	52.01%
Ségécé Espana SLU	Spain			Full	100.00%	52.01%
Ségécé Hellas Réal Estate Management SA	Greece			Full	100.00%	52.01%
Ségécé India Private Ltd.	India			Full	100.00%	52.01%
Ségécé Italia SRL	Italy			Full	100.00%	52.01%
Ségécé Magyarorszag	Hungary			Full	100.00%	52.01%
Ségécé Polska SP z.o.o	Poland			Full	100.00%	52.01%
Ségécé Portugal SA	Portugal			Full	100.00%	52.01%
Ségécé Slovensko SRO	Slovakia			Full	100.00%	52.01%
Senterdrift Asane Senter AS	Norway	31/12/2010	Merger			
Sjosiden AS	Norway	31/12/2011	Disposal			
		31/12/2010		Full	100.00%	28.94%
Sjosiden Drift AS	Norway	31/12/2010	Merger			
Slagenveien AS	Norway	31/12/2011	Incorporation	Full	100.00%	29.18%
Soaval - Société d'aménagement et de valorisation de la Gare Saint-Lazare SAS	France			Full	100.00%	52.01%
Soccendre SNC	France	31/12/2010	Liquidation			
Société des Centres d'Oc et d'Oil - SCOO SC	France			Full	100.00%	74.03%
Société civile pour la location du centre commercial régional de Créteil SOLOREC	France			Full	80.00%	41.61%
Sodevac SNC	France			Full	100.00%	52.01%
Sogegamar SCI	France	31/12/2010	Disposal			
Sosnowiec Plaza z.o.o	Poland	31/12/2010	Liquidation			
Stavanger Storsenter AS	Norway			Full	100.00%	29.18%
Steen & Strom AS	Norway			Full	100.00%	29.18%
Steen & Strom CenterDrift AS	Denmark			Full	100.00%	29.18%
Steen & Strom Centerudvikling IV AS	Denmark			Full	100.00%	29.18%
Steen & Strom Centerudvikling V AS	Denmark			Full	100.00%	29.18%
Steen & Strom CenterUdvikling VI AS	Denmark			Full	100.00%	29.18%
Steen & Strom Centerservice AS	Denmark			Full	100.00%	29.18%
Steen & Strom Danmark AS	Denmark			Full	100.00%	29.18%
Steen & Strom Drift AS	Norway	31/12/2010	Disposal			
Steen & Strom Eiendomsforvaltning AS	Norway	31/12/2010	Merger			
Steen & Strom Holding AB	Sweden			Full	100.00%	29.18%
Steen & Strom Holding AS	Denmark			Full	100.00%	29.18%
Steen & Strom Invest Amanda Senterdrift AS	Norway	31/12/2010	Merger			
Steen & Strom Invest AS	Norway	31/12/2009	Merger			
Steen & Strom Invest Gulskogen Senterdrift AS	Norway	31/12/2010	Merger			
Steen & Strom Invest Lillestrom Senterdrift AS	Norway	31/12/2010	Merger			
Steen & Strom Invest Lillestrom Torv AS	Norway			Full	100.00%	29.18%
Steen & Strom Invest Markedet Drift AS	Norway	31/12/2010	Merger			
Steen & Strom Narvik AS	Norway	31/12/2010	Disposal			
Steen & Strom Norge AS	Norway			Full	100.00%	29.18%
Steen & Strom Senterservice AS	Norway			Full	100.00%	29.18%
Steen & Strom Stavanger Drift AS	Norway	31/12/2010	Merger			
Steen & Strom Sverige AB	Sweden			Full	100.00%	29.18%
Storm Holding Norway AS	Norway			Full	100.00%	29.18%
Stovner Senter AS	Norway			Full	100.00%	29.18%
Stovner Senterdrift AS	Norway	31/12/2010	Merger			
Svenor AS	Norway	31/12/2011	Liquidation			
		31/12/2010		Full	100.00%	28.94%
Szeged Plaza	Hungary			Full	100.00%	52.01%
Szolnok Plaza	Hungary			Full	100.00%	52.01%
Tillertorget Drift AS	Norway	31/12/2010	Disposal			
Torvbyen Drift AS	Norway			Full	38.00%	11.09%
Torvbyen Senter AS	Norway			Full	100.00%	29.18%
Torvbyen Utvikling AS	Norway			Full	100.00%	29.18%
Torvhjornet Lillestrom ANS	Norway			Full	100.00%	29.18%
Uj Alba 2002	Hungary			Full	100.00%	52.01%
Valdebac SCI	France	31/12/2011		Full	100.00%	28.61%
		31/12/2010	Incorporation	Full	100.00%	28.37%
Vannes Coutume SAS	France	31/12/2011	Merger			
		31/12/2010		Full	100.00%	51.59%
Vastra Torp Mark AB	Sweden			Full	100.00%	29.18%
Vintebro Senter DA	Norway			Full	100.00%	29.18%
Vinterbro Eiendomsdrift AS	Norway	31/12/2010	Merger			
Zalaegerszeg Plaza	Hungary			Full	100.00%	52.01%

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

During 2011, the BNP Paribas Group continued internal and external restructuring transactions in connection with the activities of BNP Paribas Fortis, which were starded in 2010.
These transactions led to changes in the Group's interest and that held by minority shareholders in the Group's equity in respect of the relevant subsidiaries. The same applied as a result of the acquisition by BNP Paribas of the minority shareholders' interest in Findomestic and Fauchier.

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

In millions of euros	31 December 2011		31 December 2010	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Disposal of Fortis Bank Branches' assets to BNP Paribas branches at same location	(37)	37	(203)	203
Partial disposal of BNP Paribas Investment Partners to BNP Paribas Fortis & to BGL BNP Paribas			292	(292)
Total disposal of BNP Paribas Investment Partners BE Holding (previously FIM) to BNP Paribas Investment Partners			(269)	269
Full disposal of BNP Paribas Luxembourg to BGL BNP Paribas			224	(224)
Total disposal of Fortis Capital Corporation and its subsidiaries to Banexi holding Corp	(30)	30	(63)	63
Other	(13)	13	(4)	4
Total	(80)	80	(23)	23

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

In millions of euros	31 December 2011		31 December 2010	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Fauchier	**(24)**	**(4)**	**(16)**	**5**
During the first quarter of 2010, BNP Paribas Investment Partners bought out minority shareholders interests representing 12.5% of the capital, lifting its percentage interest to 100%				
Findomestic	**(291)**	**(337)**		
BNP Paribas Personal Finance bought out minority shareholders interests representing 25% of the capital, lifting its percentage interest to 100%				
Restructuring in Turkey	**23**	**(129)**		
BNP Paribas restructured its activities in Turkey then bought a 6% stake in TEB Bank from minority shareholders, taking its ownership to 56.99% (see note 8.d)				
Ukrsibbank			**(14)**	**(130)**
On 1rst October 2010, BNP Paribas subscribed to the full amount of UkrSibbank capital increase then bought out minority shareholders interests, lifting its percentage interest in the subsidiary to 100%.				
Other		**(7)**	**(23)**	**(12)**
Total	(292)	(477)	(53)	(137)

In connection with the acquisition of certain entities, the Group has granted minority shareholders put options on their holdings at a predetermined price.

The total value of these obligations, which are recorded as a reduction in shareholders' equity, amounted to EUR 157 million at 31 December 2011, down from EUR 161 million at 31 December 2010.

8.d BUSINESS COMBINATIONS

- **Business combinations realised in 2011**

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

- Fortis Commercial Finance

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

- BNL Vita

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

BNL Vita was founded in 1987 and is the sixth largest player in the Italian bancassurance market. It distributes its life insurance products through the branch network of BNL, the group’s Italian bank. BNL Vita has been fully consolidated since 30 September 2011, and its contribution to full-year 2011 earnings was not material.

- Cardif Lux International / Fortis Luxembourg Vie SA

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

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

- TEB Bank

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

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

- **Business combinations realised in 2010**

- Antin Epargne Pension

On 30 April 2010, BNP Paribas Assurance finalised the acquisition of Dexia Epargne Pension, a Dexia Group subsidiary specialising in high-end insurance. The company's products and services, aimed at banking partners and independent wealth management advisers, will be sold under the "Antin Epargne Pension" brand instead of "Dexia Epargne Pension". The Antin Epargne Pension Group has been fully consolidated since 30 June 2010 and its contribution to the Group's 2010 results was not material.

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

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

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

The remuneration paid to the Group's corporate officers is determined by the method recommended by the Compensation committee and approved by the Board of Directors.

This remuneration 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.

Fixed salaries

The fixed annual salary of Baudouin Prot, Chief Executive Officer until 1 December 2011, was EUR 950,000, reduced to EUR 850,000 from the time of his appointment as Chairman.

The fixed salary of EUR 200,000 that Jean-Laurent Bonnafé received as Chief Executive Officer of BNP Paribas Fortis, a position he held until 1 March 2011, was from that date included in his salary as Group Chief Operating Officer. The fixed salary of Jean-Laurent Bonnafé was increased from EUR 800,000 to EUR 1,050,000 from the time of his appointment as Chief Executive Officer on 1 December 2011.

The fixed salary of Georges Chodron de Courcel, Chief Operating Officer, remained EUR 600,000.

The fixed annual salaries of Philippe Bordenave and François Villeroy de Galhau, Chief Operating Officers, were set at EUR 580,000 and EUR 450,000 respectively from the time of their appointment on 1 December 2011.

Variable salaries

The variable portion of corporate officers' remuneration is determined based on a target bonus calculated as a proportion of their fixed salary. It fluctuates depending on criteria linked to the Group's performance, from the managerial performance of corporate officers and the Board of Directors' assessment of BNP Paribas' risk and liquidity policy. The variable portion is intended to reflect the effective contribution made by corporate officers to the success of BNP Paribas, in relation to the Chairman, notably in respect of the duties he performs pursuant to the internal rules that do not relate exclusively to the organisation and functioning of the Board, and in relation to the Chief Executive Officer and Chief Operating Officers, notably in respect to their respective duties as executives of an international financial services group.

- ***Group performance criteria:***

  Group performance criteria account for 75% of the target variable remuneration and is 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 target variable remuneration).
  - Achievement of the Group's budgeted gross operating income (37.5% of target variable remuneration).

- Chief Operating Officers

- Change in earnings per share (18.75% of target variable remuneration).
- Achievement of the Group's budgeted gross operating income (18.75% of target variable remuneration).
- Change in net income before tax of businesses for which they are responsible (18.75% of target variable remuneration).
- Achievement of budgeted gross operating income of businesses for which they are responsible (18.75% of target variable remuneration).

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

Personal objective-based criteria concern managerial performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills:

- *foresight:* define a vision, prepare for the future, foster a spirit of innovation, carry out succession planning for and open up the international horizons of senior executives;

- *decision-making:* determine, with the relevant managers, and take the requisite measures for the Group's development, its internal efficiency and the adequacy of its risk management, internal control and capital management policy;

- L*eadership* : recognise behaviour consistent with the Group's values (commitment, ambition, creativity, responsiveness). Promote initiative-taking and internal cooperation. Instil a culture of change and performance.

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

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

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

Each of the individual components of corporate officers' remuneration is capped at a percentage of their fixed salary. The Board of Directors ensures that changes in the remuneration granted to corporate officers are consistent with each of the criteria stated above and, first and foremost, the trend in the Group's earnings. It reports on this matter to the Shareholders' General Meeting.

The Board of Directors decided that 60% of the variable compensation awarded to the corporate officers in 2011 with respect to 2010 would be deferred for three years. The deferred portion is subject to a return-on-equity condition, and half of the deferred portion is indexed to the share price. Half of the non-deferred portion was postponed for six months and indexed to the share price. The Board of Directors renewed the provisions for variable compensation awarded in 2012 in respect of 2011, setting the proportion of deferred compensation at 60% for Michel Pébereau, Baudouin Prot, Jean-Laurent Bonnafé, Philippe Bordenave and Georges Chodron de Courcel and at 40% for François Villeroy de Galhau.

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

BNP Paribas' corporate officers did not receive any stock options or performance shares in 2011.

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

No compensation will be paid in respect of this system if, in 2016, the share price has risen by less than 5% relative to 2011. Even if the share price rises by more than 5%, payment of compensation would be subject to a performance criterion relating to the BNP Paribas share price being achieved each year. According to this condition, the fraction corresponding to the allocation may be maintained, reduced or lost from one year to the next. The amount paid would depend on the increase in the share price over five years. Any increase in the amount paid will be less than any increase in the share price and, if the share price has risen sharply.

Before approving this system, which applied to Baudouin Prot, Jean-Laurent Bonnafé and Georges Chodron de Courcel in 2011, the Board of Directors checked with AFEP-MEDEF's compliance committee that the system complied with the AFEP-MEDEF corporate governance code.

The carrying value of this contingent long-term compensation at the grant date (12 April 2011) was EUR 492,506 for Baudouin Prot, EUR 399,744 for Jean-Laurent Bonnafé and EUR 323,780 for Georges Chodron de Courcel.

- **Post-employment benefits**

Termination benefits

Corporate officers are not entitled to any contractual compensation on termination of office.

Retirement bonuses

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

Jean-Laurent Bonnafé (Chief Executive Officer) and Philippe Bordenave, Georges Chodron de Courcel and François Villeroy de Galhau (Chief Operating Officers) are entitled as a result of their initial employment contracts to the standard retirement bonus benefits awarded to all BNP Paribas SA employees.

Supplementary pension plans [1]

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been converted into top-up type schemes. The amounts allocated to the beneficiaries were fixed when the previous schemes were closed to new entrants.

A similar procedure was applied to Baudouin Prot (Chairman of the board of directors) and Georges Chodron de Courcel (Chief Operating Officer). Pursuant to Articles L. 137.11 and R. 137.16 of the French Social Security Code, Baudouin Prot and Georges Chodron de Courcel now belong to a contingent collective top-up pension plan. Under this plan, their pensions will be calculated (subject to their still being part of the Group on retirement) on the basis of the fixed and variable remuneration received in 1999 and 2000, with no possibility of acquiring any subsequent rights.

The amount of retirement benefits, including the pensions paid out by the general French Social Security scheme and the ARRCO and AGIRC top-up schemes, plus any additional banking industry pension arising from the industry-wide agreement that took effect on 1 January 1994 and pension rights acquired as a result of payments by the employer into top-up funded schemes, is capped at 50% of the above-mentioned remuneration amounts.

These retirement benefits will be revalued from 1 January 2002 until their actual payment date, based on the average annual rate of increase in pension benefits paid by the French Social Security, ARRCO and AGIRC schemes. The increase in potential pension rights for 2010 will be limited to the effects of this revaluation. On payment of the benefits, the top-up pensions will be equal to the differential between these revalued amounts and the pension benefits provided by the above-mentioned general and top-up schemes. Once the amount of these top-up benefits has been finally determined, the benefit will then be indexed to the growth rate in the benefit value per point under the AGIRC scheme.

These obligations were covered by provisions recorded by Banque Nationale de Paris. The amount of these provisions was adjusted when these legacy plans were closed and the obligations transferred to an external insurance company.

The benefits deriving from the pension schemes described above have always been taken into account by the Board of Directors when determining the overall remuneration of corporate officers. During 2009, the Board of Directors formally recorded that this plan was compliant with the provisions of the AFEP-MEDEF corporate governance code.

Michel Pébereau is covered by the aforementioned pension scheme with respect to his duties before 1 December 2011. The net amount paid to him in 2011 by the insurance company to which the corresponding commitments have been transferred was EUR 49,856. Michel Pébereau did not receive any compensation when his term of office as Chairman came to an end on 1 December 2011.

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers belong to the defined-contribution pension plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code. The amount of contributions paid by the company in 2011 was EUR 389 per beneficiary.

Welfare benefit plans

The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers are entitled to the same flexible welfare benefits (death and disability cover, as well as the common healthcare benefit scheme) as all BNP Paribas SA employees and corporate officers.

They are also entitled to the same benefits under the Garantie Vie Professionnelle Accidents death/disability cover plan as all BNP Paribas SA employees, and to the supplementary plan set up for members of the Group's Executive Committee, which pays out additional capital of EUR 1.10 million in the event of work-related death or total and permanent disability.

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

	Employment contract		Top-up pension plan		Benefits or payments due or likely to fall due owing to the cessation or change in duties		Payment under a no-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
M. Baudouin PROT		X (1)	X		X			X
M. Jean-Laurent BONNAFE	X		X (2)		X			X
M. Georges CHODRON de COURCEL	X		X		X			X
M. Philippe BORDENAVE	X		X (2)		X			X
M. François VILLEROY de GALHAU	X		X (2)		X			X

(1) Contract terminated on 6 May 2011.
(2) Jean-Laurent Bonnafé, Philippe Bordenave et François Villeroy de Galhau are only entitled to the defined-contribution plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code.
(3) See above. Post-employment benefits. Retirement bonuses under the plan applicable to all BNP Paribas SA employees.

The table below shows gross remuneration paid for the year to 31 December 2010, including benefits in kind and directors' fees for 2011.

Compensation payable for 2011 In euros	Compensation			Directors' fees (4)	Benefits in kind (6)	TOTAL Compensation (7)
	Fixed (1)	Variable				
		payd in 2012	Deferred (3)			
Michel PEBEREAU						
(Period from 01/01/2011 to 30/11/2011)	*641,667*	*195,000*	*292,500*	*40,876*	*3,780*	1,173,823
(for 2010)	(700,000)	(260,000) (2)	(390,000)	(37,160)	(4,124)	(1,391,284)
Baudouin PROT						
Chairman of the Board of Directors	941,667	471,970	707,956	91,796	3,926	2,166,394
(for 2010)	*(950,000)*	*(669,621)* (2)	*(1,004,432)*	*(84,907)*	*4,055*	(2,665,268)
Jean-Laurent BONNAFE						
Chief Executive Officer	820,833	463,106	694,659	97,087	3,197	2,020,548
(for 2010)	*(800,000)*	*(543,500)* (2)	*(815,250)*	*(76,870)*	*(3,333)*	(2,199,032)
Georges CHODRON de COURCEL						
Chief Operating Officer	600,000	305,143	457,714	106,133	4,141	1,366,998
(for 2010)	(600,000)	*(440,218)* (2)	*(660,326)*	(115,225)	(3,840)	(1,704,384)
Philippe BORDENAVE						
Chief Operating Officer						
(Period from 01/12/2011 to 31/12/2011)	48,333	25,842	38,763	(5)	13	112,951
(for 2010)						
François VILLEROY de GALHAU						
Chief Operating Officer						
(Period from 01/12/2011 to 31/12/2011)	37,500	33,321	22,214	(5)	260	93,295
(for 2010)						
Total compensation payable to the Group's corporate officers for 2011						6,934,009
(for 2010)						(7,959,968)

(1) Salary effectively paid in 2011.
(2) These amounts correspond to variable compensation paid in respect of 2010 and paid in 2011 respectively.
(3) See comments above.
(4) Michel Pébereau did not receive any Directors' fees other than from BNP Paribas SA.
Mr Baudouin Prot does not receive any Directors' fees from any Group companies other than from BNP Paribas SA and Erbé. Directors' fees received from Erbé are deducted from his variable compensation.
Jean-Laurent Bonnafé does not receive any Directors' fees from any Group companies other than from BNP Paribas SA, BNP Paribas Fortis, BNL and Personal Finance. The Directors' fees received by Jean-Laurent Bonnafé in respect of BNP Paribas Fortis, BNL and Personal Finance are deducted from his variable compensation.
Georges Chodron de Courcel does not receive any Directors' fees from any Group companies other than from BNP Paribas Suisse, Erbé and BNP Paribas Fortis. The Directors' fees received by Georges Chodron de Courcel from these companies are deducted from his variable compensation.
(5) Philippe Bordenave and François Villeroy de Galhau have not received any Directors' fees since 1 December 2011, the start date their term of office.
(6) 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. Philippe Bordenave did not benefit from a company car in respect of his previous duties.
(7) Total compensation after Directors' fees deducted from variable compensation

The table below shows gross remuneration payable for the year to 31 December 2011, including benefits in kind and directors' fees.

Compensation paid in 2010	Compensation		Directors' fees	Benefits in kind	TOTAL
In euros	Fixed	Variable (1)			Compensation (2)
Michel PEBEREAU					
(Period from 01/01/2011 to 30/11/2011)	*641,667*	*397,129*	*40,876*	*3,780*	*1,083,453*
(for 2010)	(700,000)	(280,000) (2)	(37,160)	(4,124)	(1,021,284)
Baudouin PROT					
Chairman of the Board of Directors	941,667	799,042	91,796	3,926	1,836,430
(for 2010)	*(950,000)*	*(651,910)* (2)	*(84,907)*	*4,055*	*(1,690,872)*
Jean-Laurent BONNAFE					
Chief Executive Officer	820,833	513,619	97,087	3,197	1,434,736
(for 2010)	*(800,000)*	*(629,683)* (2)	*(76,870)*	*(3,333)*	*(1,509,886)*
Georges CHODRON de COURCEL					
Chief Operating Officer	600,000	435,540	106,133	4,141	1,145,814
(for 2010)	(600,000)	*(337,698)* (2)	*(115,225)*	(3,840)	(1,056,763)
Philippe BORDENAVE					
Chief Operating Officer					
(Period from 01/12/2011 to 31/12/2011)	48,333	690 (3)	(4)	13	49,036
(for 2010)					
François VILLEROY de GALHAU					
Chief Operating Officer					
(Period from 01/12/2011 to 31/12/2011)	37,500	690 (3)	(4)	260	38,450
(for 2010)					
Total compensation payable to the Group's corporate officers for 2011					5,587,919
(for 2010)					(5,278,805)

(1) The amounts shown also include variable compensation itself, exceptional compensation and deductions corresponding to the recovery of Directors' fees.
Michel Pebereau's variable compensation paid in 2011 in respect of 2010 includes the payment in December 2011 for untaken leave (EUR 67,200).

Baudouin Prot's variable compensation paid in 2011 in respect of 2010 was reduced by EUR 47,747, representing the recovery of Directors' fees received in 2010.
Georges Chodron de Courcel's variable compensation paid in 2011 in respect of 2010 was reduced by EUR 115,225, representing the recovery of Directors' fees received in 2010.
Jean-Laurent Bonnafé's variable compensation paid in 2011 in respect of 2010 was reduced by EUR 38,212 representing the recovery of Directors' fees received in 2010.
(2) Amount paid in 2010.
(3) Bonus received in December 2011 awarded under a company-wide agreement to all BNP Paribas SA full-time employees present for the duration of 2010.
(4) Philippe Bordenave and François Villeroy de Galhau have not received any Directors' fees since 1 December 2011, the start date their term of office.
The average payroll tax rate on this compensation in 2011 was 32.3% (33.8% in 2010).

Benefits awarded to the corporate officers

Benefits awarded to the Group's corporate officers	2011	2010
Post-employment benefits		
Retirement bonuses		
Present value of the benefit obligation	746,318	516,531
Contingent collective defined-benefit top-up pension plan		
Total present value of the benefit obligation	18.5 M (1)	30.7 M
Defined contribution pension plan		
Contributions paid by the company during the year	1,588	1,524
Welfare benefits		
Premiums paid by the company during the year	74,263	133,717

(1) Including the additional contribution of 30%.

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

In euros	Director's fees paid in 2011	Director's fees paid in 2010
P. AUGUSTE (1)	26,861	46,503
C. BEBEAR	48,009	35,568
S. BERGER (2)	23,358	44,592
J.L. BONNAFE	38,753	12,918
J.M. GIANNO	47,034	45,443
F. GRAPPOTTE (2)	45,317	71,696
D. KESSLER	74,466	59,669
M. KUNEVA	36,629	9,202
J.F. LEPETIT	65,524	44,380
N. MISSON (3)	17,624	-
L. PARISOT	41,726	39,071
M. PEBEREAU	40,876	37,160
H. PLOIX	45,972	46,503
B. PROT	40,876	37,160
L. SCHWEITZER	60,239	60,654
M. TILMANT	56,590	42,469
E. VAN BROEKHOVEN	55,528	44,592
D. WEBER-REY	55,528	47,034
F. WICKER-MIURIN (4)	20,597	-
Total	**841,507**	**724,614**

(1) Term of office ended 30 June 2011.
(2) Term of office ended 11 May 2011. Until now, François Grappotte has been Chairman of the Internal Control, Risk Management and Compliance Committee.
(3) Term of office beginning 1 July 2011.
(4) Term of office beginning 11 May 2011.

- **Stock subscription option plans**

Under the authorisations granted by the Shareholders' General Meetings, BNP Paribas has set up a Global Share-based Incentive Plan, the characteristics of which are described in the Note on salaries and employee benefits (share-based payment).

Although the provisions of this programme apply to corporate officers, the Board of Directors did not want to use it in 2011.

- Options granted and exercised in 2011

Stock subscription options granted to and/or exercised by the Group's corporate officers	Number of options	Exercise price (in euros)	Grant date	Plan expiry date	Individual allocation valuation		Individual allocation as a percentage of share capital
					in euros	as a percentage of the recognised expense (2)	
OPTIONS GRANTED IN 2011	Nil	-	-	-	-	-	-
OPTIONS EXERCISED IN 2011							
Michel PEBEREAU (1)	147,571	47.37	15/05/2001	14/05/2011			
Baudouin PROT	94,818	47.37	15/05/2001	14/05/2011			
Georges CHODRON de COURCEL	4,675	35.87	21/03/2003	20/03/2013			
OPTIONS GRANTED IN 2010	Nil	-	-	-	-	-	-
OPTIONS EXERCISED IN 2010							
Michel PEBEREAU	80,000	47.37	15/05/2001	14/05/2011			
Baudouin PROT	50,000	47.37	15/05/2001	14/05/2011			

Summary of compensation and stock options paid to individual corporate officers

In euros	2011	2010
Michel PEBEREAU		
(Period from 01/01/2011 to 30/11/2011)		
Remuneration for the year	1,173,823	1 391 284
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,173,823**	**1,391,284**
Baudouin PROT		
Chairman of the Board of Directors		
Remuneration for the year	2,166,394	2 665 268
Long-term compensation - carrying amount at date of grant (12 April 2011)	492,506	
Value of stock options granted during the year	Nil	Nil
TOTAL	**2,658,900**	**2,665,268**
Jean-Laurent BONNAFE		
Chief Executive Officer		
Remuneration for the year	2,020,548	2 199 032
Long-term compensation - carrying amount at date of grant (12 April 2011)	399,744	
Value of stock options granted during the year	Nil	Nil
TOTAL	**2,420,292**	**2,199,032**
Georges CHODRON de COURCEL		
Chief Operating Officer		
Remuneration for the year	1,366,998	1 704 384
Long-term compensation - carrying amount at date of grant (12 April 2011)	323,780	
Value of stock options granted during the year	Nil	Nil
TOTAL	**1,690,778**	**1,704,384**
Philippe BORDENAVE		
Chief Operating Officer		
(Period from 01/12/2011 to 31/12/2011)		
Remuneration for the year	112,951	
Value of stock options granted during the year	Nil	Nil
TOTAL	**112,951**	
François VILLEROY de GALHAU		
Chief Operating Officer		
(Period from 01/12/2011 to 31/12/2011)		
Remuneration for the year	93,295	
Value of stock options granted during the year	Nil	Nil
TOTAL	**93,295**	

The table shows the number of outstanding options held by the Group's corporate officers at 31 December 2011.

Originating company	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas	BNP Paribas
Date of grant	21/03/2003	24/03/2004	25/03/2005	05/04/2006	08/03/2007	18/04/2008	08/04/2009	05/03/2010	04/03/2011
Michel PEBEREAU	232,717		103,418	102,521	51,265	51,265	Nil	Nil	Nil
Baudouin PROT	201,688	-	155,125	184,537	174,300	174,299	Nil	Nil	Nil
Georges CHODRON de COURCEL	-	-	41,368	51,261	61,518	61,517	Nil	Nil	Nil
Jean-Laurent BONNAFE	-	-	62,052	92,269	92,277	102,529	Nil	Nil	Nil
Philippe BORDENAVE	38,484	-	41,368	36,908	36,911	41,012	41,014	24,900	18,660
François VILLEROY de GALHAU	-	7,750	15,514	15,379	15,380	15,380	41,014	24,900	18,660
Number of options outstanding at end-2011 [(1)]	**472,889**	**7,750**	**418,845**	**482,875**	**431,651**	**446,002**	**82,028**	**49,800**	**37,320**

[(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.

- **Performance shares:**

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

Originating company	BNP Paribas		BNP Paribas	
Date of grant	05/03/2010		04/03/2011	
Vesting date	05/03/2013		04/03/2014	
Date of availability	06/03/2015		04/03/2016	
Performance conditions	yes		yes	
	Number of shares	Valuation [(1)]	Number of shares	Valuation [(1)]
Philippe BORDENAVE	3,105	155,250	4,665	223,174
François VILLEROY de GALHAU	3,105	155,250	4,665	223,174
Total	**6,210**	**310,500**	**9,330**	**446,347**

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

Note that no corporate officers held performance shares available at 31 December 2011.

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

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

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

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

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

Total compensation paid in 2011 to employee-elected directors based on their actual attendance amounted to EUR 155,426 (EUR 99,785 in 2010), including EUR 53,763 with respect to the retirement bonus of a director exercising his retirement rights and excluding directors fees. The total amount of directors' fees paid in 2011 to employee-elected directors was EUR 93,346 (EUR 91,945 in 2010). These sums were paid directly to the trade union bodies of the directors concerned.

Employee-elected directors are entitled to the same death/disability cover and the same Garantie Vie Professionnelle Accidents benefits as all BNP Paribas SA employees, as well as healthcare expense coverage. The total amount of premiums paid into these schemes by BNP Paribas in 2010 on behalf of the employee-elected directors was EUR 1,746 (EUR 1,619 in 2010).

The employee-elected directors belong to the defined-contribution plan set up for all BNP Paribas SA employees, in accordance with Article 83 of the French General Tax Code. The total amount of contributions paid into this plan by BNP Paribas in 2010 on behalf of these corporate officers was EUR 717 (EUR 706 in 2010). They are also entitled to top-up banking industry pensions under the industry-wide agreement that took effect on 1 January 1994.

- **Prêts, Loans, advances and guarantees granted to the Group's corporate officers**

At 31 December 2011, total outstanding loans granted directly or indirectly to the Group's corporate officers amounted to EUR 3,416,297 (EUR 3,286,908 at 31 December 2010). It represents the total amount of loans granted to BNP Paribas' corporate officers and their spouses. These loans representing normal transactions were carried out on an arm's length basis.

8.f RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 8.b "Scope of consolidation". As transactions and period-end balances between fully-consolidated entities are eliminated in full on consolidation, the tables below only show figures relating to transactions and balances with companies over which BNP Paribas exercises joint control (accounted for by the proportionate consolidation method), showing only the proportion not eliminated on consolidation, and companies over which BNP Paribas exercises significant influence (accounted for by the equity method).

- Related-party balance sheet items:

In millions of euros	31 December 2011		31 December 2010	
	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	29	40	91	456
Loans	4,058	3,082	4,111	1,240
Securities	312	17	195	77
Finance leases	6	-	5	-
Non-trading securities held in the portfolio.	479	2	550	850
Other assets	**11**	**110**	**3**	**67**
Total	**4,895**	**3,251**	**4,955**	**2,690**
LIABILITIES				
Deposits				
Demand accounts	94	2,212	102	1,811
Other borrowings	88	79	69	44
Debt securities	**67**	**32**	**65**	**177**
Other liabilities	**11**	**14**	**17**	**28**
Total	**260**	**2,337**	**253**	**2,060**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**795**	**581**	**777**	**568**
Guarantee commitments given	**153**	**73**	**120**	**185**
Total	**948**	**654**	**897**	**753**

Within the scope of its International Retail Banking and Financial Services business, the Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, etc.) and financial instruments (equities, bonds, etc.).

- Related-party profit and loss items:

In millions of euros	Year to 31 Dec. 2011		Year to 31 Dec. 2010	
	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	**145**	**93**	**122**	**115**
Interest expense	(4)	(45)	(5)	-
Commission income	**18**	**314**	**20**	**120**
Commission expense	(60)	(28)	(65)	(46)
Services provided	**1**	**72**	**5**	**54**
Services received	-	(96)	-	(344)
Lease income	**2**	**7**	**2**	**28**
Total	102	317	79	(73)

ENTITIES MANAGING POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

The main post-employment benefits of the BNP Paribas Group are retirement bonus plans, and top-up defined-benefit and defined-contribution pension plans.

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has an 18.73% equity interest.

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

At 31 December 2011, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,164 million (EUR 3,111 million at 31 December 2010). Amounts received relating to services provided by Group companies in the year to 31 December 2011 totalled EUR 4.1 million, and mainly is comprised of management and custody fees (EUR 4.3 million in 2010).

8.g BALANCE SHEET BY MATURITY

The table below gives a breakdown of the balance sheet by contractual maturity. The maturity of financial assets and liabilities at fair value through profit or loss within the trading portfolio is deemed to be “undetermined” insofar as these instruments are intended to be sold or redeemed before their contractual maturity dates. The maturities of variable-income financial assets classified as available for sale, derivative hedging instruments, remeasurement adjustments on interest-rate risk hedged portfolios and undated subordinated debt are also deemed to be “undetermined”. Since the majority of technical reserves of insurance companies are considered as demand deposits, they are not presented in this table.

In millions of euros, at 31 December 2011	Not determined	OverniEht or demand	Up to 1 month (excl. overniEht)	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		58,382						58,382
Financial assets at fair value throuEh profit or loss	820,463							820,463
Derivatives used for hedEinE purposes	9,700							9,700
Available-for-sale financial assets	17,479		5,581	13,589	17,681	50,398	87,740	192,468
Loans and receivables due from credit institutions	-	16,117	11,244	8,304	3,182	7,966	2,556	49,369
Loans and receivables due from customers	-	55,011	57,993	56,878	72,762	198,788	224,402	665,834
Remeasurement adjustment on interest-rate risk hedEed portfolios	4,060							4,060
Held-to-maturity financial assets			-	299	212	4,188	5,877	10,576
Financial assets by maturity	**851,702**	**129,510**	**74,818**	**79,070**	**93,837**	**261,340**	**320,575**	**1,810,852**
Due to central banks and post office banks		1,231						1,231
Financial liabilities at fair value throuEh profit or loss	723,492		513	2,167	6,131	22,644	7,848	762,795
Derivatives used for hedEinE purposes	14,331							14,331
Due to credit institutions		21,234	49,429	21,475	6,159	42,282	8,575	149,154
Due to customers		319,719	126,907	31,467	27,547	27,030	13,614	546,284
Debt securities			28,020	31,856	27,896	49,713	20,301	157,786
Subordinated debt	3,507		23	445	2,360	5,325	8,023	19,683
Remeasurement adjustment on interest-rate risk hedEed portfolios	356							356
Financial liabilities by maturity	**741,686**	**342,184**	**204,892**	**87,410**	**70,093**	**146,994**	**58,361**	**1,651,620**

In millions of euros, at 31 December 2010	Not determined	OverniEht or demand	Up to 1 month (excl. overniEht)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks and post office banks		33,568						33,568
Financial assets at fair value throuEh profit or loss	832,945							832,945
Derivatives used for hedEinE purposes	5,440							5,440
Available-for-sale financial assets	17,397		6,734	10,629	29,947	56,659	98,592	219,958
Loans and receivables due from credit institutions	-	12,949	14,577	7,714	7,381	8,591	11,506	62,718
Loans and receivables due from customers	12	56,314	62,104	56,170	75,625	209,000	225,461	684,686
Remeasurement adjustment on interest-rate risk hedEed portfolios	2,317							2,317
Held-to-maturity financial assets			-	281	54	5,729	7,709	13,773
Financial assets by maturity	**858,111**	**102,831**	**83,415**	**74,794**	**113,007**	**279,979**	**343,268**	**1,855,405**
Due to central banks and post office banks		2,123						2,123
Financial liabilities at fair value throuEh profit or loss	674,280		539	2,491	9,917	25,800	12,078	725,105
Derivatives used for hedEinE purposes	8,480							8,480
Due to credit institutions		28,248	86,138	20,586	11,357	13,238	8,418	167,985
Due to customers		337,186	139,416	38,018	21,202	26,575	18,517	580,913
Debt securities			39,224	54,288	50,891	48,228	16,037	208,669
Subordinated debt	3,316		-	41	471	8,610	12,312	24,750
Remeasurement adjustment on interest-rate risk hedEed portfolios	301							301
Financial liabilities by maturity	**686,377**	**367,557**	**265,317**	**115,424**	**93,838**	**122,451**	**67,362**	**1,718,326**

The majority of the financing and guarantee commitments given, which amounted to EUR 253,298 million and EUR 106,096 million respectively at 31 December 2011 (EUR 314,731 million and EUR 102,563 million respectively at 31 December 2010), can be drawn at sight.

8.h FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

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

- These fair values are an estimate of the value of the relevant instruments as of 31 December 2011. 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 2011		31 December 2010	
	Carrying value (1)	Estimated fair value	Carrying value (1)	Estimated fair value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	46,369	49,316	62,718	63,868
Loans and receivables due from customers	665,834	683,398	684,686	702,077
Held-to-maturity financial assets	10,576	11,135	13,773	14,487
FINANCIAL LIABILITIES				
Due to credit institutions	149,154	149,879	167,985	168,360
Due to customers	546,284	547,992	580,913	581,894
Debt securities	157,786	154,419	208,669	208,921
Subordinated debt	19,683	16,243	24,750	23,649

(1) The carrying amount does not include the remeasurement of portfolios of financial instruments in fair value hedging relationships. At 31 December 2011, this is included within "Remeasurement adjustment on interest-rate risk hedged portfolios" as EUR 4,060 million under assets, and EUR 356 million under liabilities (EUR 2,317 million and EUR 301 million, respectively, at 31 December 2010).

The fair value of a financial instrument is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and held-to-maturity financial assets, or specific valuation models for other financial instruments as described in note 1, "Principal accounting policies applied by the BNP Paribas Group". In the case of loans, liabilities and held-to-maturity financial assets that have an initial maturity of less than one year (including demand deposits) or are granted on floating-rate terms, fair value equates to carrying amount. The same applies to most regulated savings products.

8.i CONTINGENT LIABILITIES: LEGAL PROCEEDING AND ARBITRATION

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

On 27 June 2008, the Republic of Iraq filed a lawsuit in New York against approximately 90 international companies that participated in the oil-for-food ("OFF") programme and against BNP Paribas as holder of the OFF account on behalf of the United Nations. The complaint alleges, notably, that the defendants conspired to defraud the OFF programme, thereby depriving the Iraqi people of more than USD 10 billion in food, medicine and other humanitarian goods. The complaint also contends that BNP Paribas breached purported fiduciary duties and contractual obligations created by the banking services agreement binding BNP Paribas and the United Nations. The complaint is pleaded under the US Racketeer Influenced and Corrupt Organisations Act (“RICO”) which allows treble damages if damages are awarded. The complaint has been served and the defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. Pleadings on the merits are expected to be made in 2012.

Following discussions with the U.S. Department of Justice and the New York County District Attorney’s Office, the Bank is conducting an internal review of certain U.S. dollar payments involving countries, persons and entities that could be subject to U.S. sanctions, in order to determine whether the Bank has in the conduct of its business complied with sanction regulations including those of the Office of Foreign Assets Control. It should be noted that similar reviews conducted by numerous financial institutions relating to actual or purported violations of Office of Foreign Assets Control regulations have resulted in settlements involving the payment of fines and penalties, some of which have been significant depending on the circumstances of each matter.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”). These actions, known generally as “clawback claims”, are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related “feeder funds” in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amounts sought to be recovered in these actions approximates $1.2 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which Fortis Bank is no longer part. Whether Fortis Bank (now BNP Paribas Fortis) is party or not to the proceedings, the possibility cannot be ruled out that legal action already taken or which may result from current legal disputes or enquiries may seek to obtain money from BNP Paribas Fortis, and hence from the BNP Paribas Group. BNP Paribas will oppose firmly any attempts of this kind.

There are no other government, legal or arbitration proceedings of which the Company is aware that are likely to have or have had within the last 12 months a significant impact on the financial position or profitability of the Company and/or Group.

8.j FEES PAID TO THE STATUTORY AUDITORS

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

Excluding tax, in thousands of euros in 2010	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audits and contractual audits, including								
- Issuer	4,162	17%	4,438	22%	1,187	11%	9,787	18%
- Consolidated subsidiaries	10,641	45%	10,157	51%	8,654	84%	29,452	55%
Other reviews and services directly related to the statutory audit engagement, including								
- Issuer	253	1%	451	2%	202	2%	906	2%
- Consolidated subsidiaries	2,229	10%	3,836	19%	190	2%	6,255	11%
Sub-total	**17,285**	**73%**	**18,882**	**94%**	**10,233**	**99%**	**46,400**	**86%**
Other services provided by the networks to fully-or proportionally-consolidated subsidiaries								
Tax and legal	106	0%	191	1%	-	0%	297	0%
Others	6,363	27%	924	5%	99	1%	7,386	14%
Sub-total	**6,469**	**27%**	**1,115**	**6%**	**99**	**1%**	**7,683**	**14%**
TOTAL	**23,754**	**100%**	**19,997**	**100%**	**10,332**	**100%**	**54,083**	**100%**

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 1,468 thousand for the year 2011 (EUR 2,325 thousand in 2010).

Other work and services related directly to audit work, mainly work on financial transactions, opinions on the group's approach to implementing accounting standards and controls, reviews of the entity's compliance with regulatory provisions and reviews of internal control quality by comparison with international standards (such as ISAE 3402 and SAS 70, ...) as part of services provided to customers, particularly in the securities and asset management businesses.

Other services provided by the networks to consolidated subsidiaries mainly comprise services provided by Deloitte to Luxembourg entities in connection with the business reorganisations that followed the merger between BNP Paribas and BGL BNP Paribas entities.

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