BNP PARIBAS
CORPORATE & INVESTMENT BANKING

BASE LISTING DOCUMENT DATED 2 APRIL 2014

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

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Non-collateralised Structured Products 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, for which we and BNP Paribas (the "**Guarantor**") accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to us, 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 2 April 2014 (the "**Guarantee**"). We and the Guarantor, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or 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 contractual obligations and of no other person, and the Guarantee in respect of the Structured Products constitutes the general unsecured 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. If we become insolvent or default on our obligations under the Structured Products or the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

Sponsor

BNP Paribas Securities (Asia) Limited

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IMPORTANT INFORMATION

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.

Is there any guarantee or collateral for the Structured Products?

Our obligations under the Structured Products are unconditionally and irrevocably guaranteed by the Guarantor. If we become insolvent or default on our obligations under the Structured Products and the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as an unsecured creditor of the Issuer and the Guarantor. In such event, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

What are our and the Guarantor's credit ratings?

The Issuer's long term credit ratings as of 1 April 2014 is:

Rating agency	***Rating***
Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**")	A+ (negative outlook)

Our Guarantor's long term credit ratings as of 1 April 2014 are:

Rating agency	***Rating***
Moody's Investors Service, Inc., New York ("**Moody's**")	A2 (stable outlook)
S&P	A+ (negative outlook)
Fitch France S.A.S. ("**Fitch**")	A+ (stable outlook)

The credit ratings are only an assessment by the rating agencies of the Issuer's and the Guarantor's overall financial capacity to pay its debts respectively.

A+ is among the top three major credit rating categories and is the fifth highest investment-grade ranking of the ten investment-grade ratings (including + or – sub-grades) assigned by S&P.

A2 is among the top three major credit rating categories and is the sixth highest investment-grade ranking of the ten investment-grade ratings (including 1, 2 and 3 sub-grades) assigned by Moody's.

A+ is among the top three major credit rating categories and is the fifth highest investment-grade ranking of the ten investment-grade ratings (including + or – sub-grades) assigned by Fitch.

Please refer to the brief guide in Appendix 4 to this document to what such credit ratings mean.

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

- a credit rating is not a recommendation to buy, sell or hold the Structured Products;
- credit ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;

- a high credit rating is not necessarily indicative of low risk. Our and 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 us and the Guarantor. Any downgrading of our and the Guarantor's credit ratings could result in a reduction in the value of the Structured Products;

- a credit rating is not an indication of the liquidity or volatility of the Structured Products; and

- a credit rating may be downgraded if the credit quality of the Issuer and/or the Guarantor declines.

The Structured Products are not rated.

Our and the Guarantor's credit ratings are subject to change or withdrawal at any time within each rating agency's sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to our and the Guarantor's credit ratings from time to time.

Is the Issuer or the Guarantor regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

The Issuer is not regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3). 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.

Is the Issuer or the Guarantor subject to any litigation?

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

Authorisation for the issue of the Structured Products

The issue of the Structured Products was authorised by our board of directors on 23 May 2013.

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

Save as disclosed in Appendix 5 of this document, there has been no material adverse change in the Guarantor's financial or trading position since 31 December 2013.

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 BNP Paribas Securities (Asia) Limited, 59th-63th Floors, Two International Finance Centre, 8 Finance Street, 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 2014 on the consolidated financial statements of the Guarantor for the year ended 31 December 2013 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 value and 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 liquidity of the Underlying Asset or of the futures contracts relating to the underlying index;

(g) the supply and demand for the Warrant;

(h) our related transaction costs; and

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

What is your maximum loss?

Your maximum loss in our Warrants will be your entire 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.

OVERVIEW OF CBBCS

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 liquidity of the Underlying Asset or of the future contracts relating to the underlying index;

(j) our 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 your entire 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, Didier, Selles 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 Financière de Paris et des Pays-Bas

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

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

1987 Privatisation of Compagnie Financière de Paribas

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

1993 Privatisation of BNP

BNP's return to the private sector represented a new 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 75 countries and has almost 185,000 employees, including over 141,000 in Europe. BNP Paribas holds key positions in its three activities:

- Retail Banking, which includes:
    - o a set of Domestic Markets, comprising:
        - French Retail Banking (FRB),
        - BNL banca commerciale (BNL bc), Italian retail banking,
        - Belgian Retail Banking (BRB),
        - Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
    - o International Retail Banking, comprising
        - Europe-Mediterranean,
        - BancWest;
    - o Personal Finance;
- Investment Solutions;
- Corporate and Investment Banking (CIB).

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

At 31 December 2013, the Group had consolidated assets of €1,800.1 billion (compared to €1,907.2 billion at 31 December 2012), consolidated loans and receivables due from customers of €617.2 billion (compared to €630.5 billion at 31 December 2012), consolidated items due to customers of €557.9 billion (compared to €539.5 billion at 31 December 2012) and shareholders' equity (Group share) of €87.6 billion (compared to €85.4 billion at 31 December 2012). Pre-tax net income at 31 December 2013 was €8.2 billion (compared to €10.4 billion at 31 December 2012). Net income, Group share, at 31 December 2013 was €4.8 billion (compared to €6.6 billion at 31 December 2012).

The Group currently has long-term senior debt ratings of "A2", with stable outlook from Moody's, "A+" with negative outlook from S&P and "A+" with stable outlook from Fitch.

2013 rankings and awards

CORPORATE BANKING

- EMEA Loan House of the Year (*IFR*, December 2013);
- Best Bank for Cash Management in Europe (*TMI*, November 2013);
- Best Project Finance House in Western Europe (*Euromoney*, July 2013);
- Aircraft leasing innovator of the year (*Global Transportation Finance*, November 2013);
- Best Global Corporate Bank 2013 (*Global Finance*, August 2013);
- N°1 Global Power & Renewables Financial Advisor (*Infrastructure Journal*, April FY 2013);

- Best Bank for Trade Finance – Europe (*TMI*, 2013);
- Best Trade Bank in Oil and Energy (*TFR*, 2013);
- Best Trade Finance Bank in France and Belgium (*Global Finance* 2013);
- No.1 Bookrunner and MLA in EMEA Syndicated Loans by volume and number of deals (*Thomson Reuters, Dealogic,* FY 2013);
- No.2 Bookrunner and No.1 Mandated Lead Arranger in EMEA in Acquisition/Demerger Finance by volume (*Dealogic,* FY 2013);
- No.1 Bookrunner and Mandated Lead Arranger for Media & Telecom in EMEA by volume (*Dealogic,* FY 2013);
- No.4 Cash Management Bank Globally (*Euromoney,* November 2013);
- No.2 Mandated Lead Arranger of Syndicated Trade Finance Loans (*Dealogic,* FY 2013).

GLOBAL EQUITIES & COMMODITY DERIVATIVES

Selection of awards won in 2013

- Most Innovative Bank for Equity Derivatives (*The Banker*);
- Structured Products House of the Year (*Structured Products Europe Awards*);
- Technology Innovation of the Year (*Structured Products Americas Awards*);
- Best Wholesale Bank for Technology Innovation (*Euromoney Global Awards*);
- Derivatives House of the Year (*The Asset Awards*);
- Asia Broker of the Year (*Energy Risk Magazine*);
- House of the Year (*Commodity Business Awards*);
- Commodity Finance & Structured Products (*Commodity Business Awards*).

FIXED INCOME

2013 rankings

- No.1 bookrunner for euro bond issues; No. 8 bookrunner for international bond issues in all currencies (*Thomson Reuters Bookrunner,* FY2013)
- No.6 All Rates (*Total Derivatives Dealer Rankings* 2013)
- No.1 Inflation Swaps (*Risk Institutional Investor Rankings* 2013)
- No.2 FX in the Eurozone Overall (*FX Week Best Bank Awards* 2013)
- No.2 CDS Indices & tranches Europe (*Risk Institutional Investor Rankings* 2013)

2013 awards

- Best Bank in Western Europe (*Euromoney Awards* 2013)
- European Investment-Grade Corporate Bond House of the Year (*IFR December* 2013)
- Structured Products House of the Year (*Structured Products Europe* 2013)

- Credit Derivatives House of the Year (*Derivatives Week Awards* 2013)
- Interest Rate Derivatives House of the Year (*Asia Risk Awards* 2013)
- Best Bank in France (*Euromoney Awards* 2013)

Capital Stock

As at 31 December 2013, BNP Paribas' share capital stood at €2,490,325,618 divided into 1,245,162,809 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 2013, except where specified:

Membership of the Board of Directors

Baudouin PROT
Principal function: ***Chairman of the Board of Directors of:*** **BNP Paribas**

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	Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad BNP Paribas[*], Chairman of the Board of Directors,
Number of BNP Paribas shares held[1]: 146,129 *Office address:* 3, rue d'Antin 75002 PARIS, FRANCE	Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad Kering[*], Director Lafarge[*], Director Veolia Environnement[*], Director Pargesa Holding SA[*] (Switzerland), Director
Education Graduate of the École des Hautes Études Commerciales Graduate of the École Nationale d'Administration	Participation[1] in Special Committees of French or foreign companies Kering, member of the Appointments Committee Lafarge, member of the Corporate Governance and Nominations Committee and the Strategy, Development and Sustainable Development Committee Other[1] Director of Institute of International Finance (IIF) Member of: International Advisory Panel of the Monetary Authority of Singapore (MAS), International Business Leaders' Advisory Council (IBLAC) of the city of Shanghai

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

2012:	2011:	2010:	2009:
Chairman of the Board of Directors of: BNP Paribas **Director of:** Pinault-Printemps-Redoute, Veolia Environnement, Lafarge, Erbé SA (Belgium), Pargesa Holding SA (Switzerland), Institute of International Finance (IIF) **Chairman of:** International Monetary Conference (IMC) **Member of:** International Advisory Panel of the Monetary Authority of Singapore (MAS), International Business Leaders' Advisory Council (IBLAC) of the city of Shanghai	**Chairman of the Board of Directors of:** BNP Paribas (from 1 December 2011) **Director of:** Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland) **Member of:** Vice Chairman of the IMC (International Monetary Conference), Institute of International Finance (IIF), International Advisory Panel of the MAS (Monetary Authority of Singapore)	**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 Committee of Fédération Bancaire Française	**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 Committee of Fédération Bancaire Française

(1) Year ended 31 December 2013
(*) Listed company

Michel PÉBEREAU
Principal function: ***Honorary Chairman of*** **BNP Paribas**

Born 23 January 1942
Term start and end dates: 23 May 2012 – 2015 AGM
First elected to the Board on: 14 May 1993

Number of BNP Paribas shares held[(1)]: 181,772
Office address: 3, rue d'Antin
75002 PARIS,
FRANCE

Education
Graduate of the École Polytechnique
Graduate of the École Nationale d'Administration

Offices held[(1)] in BNP Paribas Group listed or unlisted companies, in France or abroad
Member of the Supervisory Board of Banque Marocaine pour le Commerce et l'Industrie (Morocco)
Honorary Chairman(*) and Director of BNP Paribas
Director of BNP Paribas SA (Switzerland)

Offices held[(1)] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
EADS NV(*) (Netherlands), Director,
Pargesa Holding SA(*) (Switzerland), Director
Total SA(*), Director
Non-voting Director of Société Anonyme des Galeries Lafayette
HSBC France (ex-CCF): Honorary Chairman

Participation[(1)] in Special Committees of the Board of Directors of French or foreign companies
BNP Paribas, Chairman of the Corporate Governance and Nominations Committee
EADS NV, member of the Audit Committee
Total SA, Chairman of the Compensation Committee

Other[(1)]
Chairman of the Fondation BNP Paribas
Honorary Chairman of the Aspen Institute and the Institut de l'Entreprise
Member of the Académie des sciences morales et politiques, the Supervisory Board and Steering Committee of the Aspen Institute, Steering Committee of Institut de l'entreprise, Fondation Nationale des Sciences Politiques, and the Board of Directors of Fondation ARC

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

2012:
Honorary Chairman of: BNP Paribas
Director of: AXA, Compagnie de Saint-Gobain, Total, BNP Paribas (Switzerland) 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: the Management Board of Institut d'Études Politiques de Paris, Fondation BNP Paribas
Honorary Chairman of: Crédit Commercial de France, Supervisory Board of Institut Aspen, Institut de l'entreprise
Member of: Académie des sciences morales et politiques, Executive Committee of Mouvement des Entreprises de France, Steering Committee of Institut de l'entreprise, Fondation Nationale des Sciences Politiques, Fondation ARC

2011:
Honorary Chairman of: BNP Paribas (from 1 December 2011)
Director of: AXA, Compagnie de Saint-Gobain, Lafarge, Total, BNP Paribas (Switzerland) 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'Études 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)

2010:
Chairman of the Board of Directors of: BNP Paribas
Director of: AXA, Compagnie de Saint-Gobain, Lafarge, Total, BNP Paribas (Switzerland) 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 (Switzerland) 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'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)

(1) Year ended 31 December 2013
(*) Listed company

Jean-Laurent BONNAFÉ
Principal function: ***Chief Executive Officer and Director*** **of BNP Paribas**

Born on 14 July 1961
Term start and end dates: 15 May 2013 – 2016 AGM
First elected to the Board on: 12 May 2010

Number of BNP Paribas shares held[1]: 62,545[2]
Office address: 3, rue d'Antin
75002 PARIS,
FRANCE

Education
Graduate of the École Polytechnique
Graduate of the École des Mines

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director and Chief Executive Officer
Director of Banca Nazionale del Lavoro (Italy),
Director of BNP Paribas Fortis in Belgium

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Carrefour[*], Director

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

2012:	2011:	2010:	2009:
Chief Executive Officer and Director of: BNP Paribas **Director of:** Carrefour, Banca Nazionale del Lavoro (Italy), BNP Paribas Fortis (Belgium), Erbé SA (Belgium)	**Chief Executive Officer and Director of:** BNP Paribas (from 1 December 2011) **Director of:** Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BNP Paribas Fortis (Belgium)	**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)	**Chief Operating Officer of:** BNP Paribas **Director of:** Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BancWest Corporation, Bank of the West

(1) *Year ended 31 December 2013*
(2) *Furthermore, Jean-Laurent Bonnafé owns the equivalent of 17,103 BNP Paribas shares under the Company Savings Plan.*
(*) *Listed company*

Pierre-André de CHALENDAR
Principal function: ***Chairman and Chief Executive Officer*** **of Compagnie de Saint-Gobain**

Born on 12 April 1958
Term start and end dates: 23 May 2012 – 2015 AGM
First elected to the Board on: 23 May 2012

Number of BNP Paribas shares held[1]*:* 1,000
Office address: Les Miroirs
92096 LA DEFENSE CEDEX,
FRANCE

Education
Graduate of the ESSEC
Graduate of the École Nationale d'Administration

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Chairman and Chief Executive Officer *of Compagnie de Saint-Gobain
GIE SGPM Recherches, Director
Saint-Gobain Corporation, Director
Veolia Environnement[*], Director
Chairman of the Board of Directors of Verallia

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, Chairman of the Compensation Committee
Compagnie de Saint-Gobain, member of the Strategic Committee
Veolia Environnement, member of the Research, Innovation and Sustainable Development Committee

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

2012:
Chairman and Chief Executive Officer of: Compagnie de Saint-Gobain
Chairman of: Verallia
Director of: Veolia Environnement, Saint-Gobain Corporation, GIE SGPM Recherches

(1) Year ended 31 December 2013
(*) Listed company

Marion GUILLOU
Principal function: ***Chairwoman*** **of Agreenium**

Born on 17 September 1954
Term start and end dates: 15 May 2013 – 2016 AGM
First elected to the Board on: 15 May 2013

Number of BNP Paribas shares held[1]*:* 300
Office address: 147, rue de l'Université
75007 PARIS,
FRANCE

Education
Graduate of the École Polytechnique
Engineer of Bridges, Water and Forests
Doctor of Food Sciences

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Agreenium, Chairwoman
Apave, Director
CGIAR, Director
Imerys[*], Director
Veolia Environnement[*], Director

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, member of the Corporate Governance and Nominations Committee
Veolia Environnement, member of the Research, Innovation and Sustainable Development Committee

(1) Year ended 31 December 2013
(*) Listed company

Denis KESSLER
Principal function: ***Chairman and Chief Executive Officer*** **of SCOR SE**

Born on 25 March 1952
Term start and end dates: 23 May 2012 – 2015 AGM
First elected to the Board on: 23 May 2000

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

Education
Degree in Economic Science
Degree in Social Science
Doctor of Economic Science
Graduate of the École des Hautes Études Commerciales

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Dassault Aviation[*], Director
Invesco Ltd[*] (USA), director
SCOR SE[*], Chairman and Chief Executive Officer
Member of the Supervisory Board of Yam Invest N.V. (Netherlands)

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, Chairman of the Accounting Committee
Dassault Aviation, member of the Audit Committee
SCOR SE, Chairman of the Strategic Committee

Other[1]
Member of the Commission Économique de la Nation
the Board of Directors of the Association de Genève
the Board of Directors of the Association du Siècle
the Global Reinsurance Forum, Reinsurance Advisory Board Laboratoire d'Excellence Finance et Croissance Durable (LabexFCD) and Global counsellor of the Conference Board

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

2012:
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 Association de Genève, Board of Directors of Association du Siècle, Global Reinsurance Forum, Reinsurance Advisory Board, Laboratoire d'Excellence Finance et Croissance Durable (LABEX FCD)

2011:
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 French Foundation for Medical Research, Strategic Board of the European Insurance Federation, Global Reinsurance Forum, Reinsurance Advisory Board

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 NV (Netherlands)
Member of: Commission Économique de la Nation, Board of Directors of the Siècle, Board of Directors of Association de Genève, Board of 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 NV (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 French Foundation for Medical Research, Comité des entreprises d'assurance, Strategic Board of the European Insurance Federation
Chairman of: the Reinsurance Advisory Board, Global Reinsurance Forum, Board of Directors of Le Siècle

(1) Year ended 31 December 2013
(*) Listed company

Meglena KUNEVA
Principal function: ***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 – 15 May 2013
First elected to the Board on: 12 May 2010

Number of BNP Paribas shares held[(1)]*:* 10
Office address: Ul. "Plachkovica" – 1
Vhod A
SOFIA 1164,
BULGARIA

Education
Graduate of the University of Sofia

Other[(1)]
Chairman of the Governing Board of the European Policy Centre (Brussels)
Member of the Advisor on passenger rights to EC Vice-President Siim Kallas, European Commission, Brussels (Belgium), the European Council on Foreign Relations, Brussels (Belgium), Member of the Board of Trustees of the American University (Bulgaria), Honorary President of the European Citizen Action Service, Brussels (Belgium)

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

2012:	2011:	2010:
Member of: Advisor on passenger rights to EC Vice-President Siim Kallas, European Commission, Brussels (Belgium), Member of the Board of Trustees of the American University (Bulgaria), European Council on Foreign Relations, Brussels (Belgium)	**Member of:** Board of Trustees of the American University (Bulgaria)	**Member of:** Board of Trustees of the American University (Bulgaria)

(1) Year ended 31 December 2013

Jean-François LEPETIT
Principal function: ***Director of companies***

Born on 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]: 8,749
Office address: 30, boulevard Diderot
75572 PARIS CEDEX 12,
FRANCE

Education
Graduate of the École des Hautes Études Commerciales
Master of Law

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas(*), Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Shan SA, Director
Smart Trade Technologies SA, Director

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, Chairman of the Internal Control, Risk Management and Compliance Committee and member of the Compensation Committee

Other[1]
Member of: Board of the Qatar Financial Centre Regulatory Authority (QFCRA), Doha (Qatar), and Conseil de la régulation financière et du risque systémique (COREFRIS)

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

2012:	2011:	2010:	2009:
Director of: Smart Trade Technologies SA, Shan SA **Member of:** Board of the Qatar Financial Centre Regulatory Authority (QFCRA), Doha (Qatar), Conseil de la régulation financière et du risque systémique (COREFRIS)	**Director of:** Smart Trade Technologies SA, Shan SA **Member of:** Board of the Qatar Financial Centre Regulatory Authority (QFCRA), Doha (Qatar)	**Director of:** Smart Trade Technologies SA, Shan SA **Member of:** Board of the Qatar Financial Centre Regulatory Authority (QFCRA), Doha (Qatar)	**Director of:** Smart Trade Technologies SA, Shan SA **Member of:** Board of the QQatar Financial Centre Regulatory Authority (QFCRA), Doha (Qatar), Board of the Autorité des Marchés Financiers, Conseil de normalisation des comptes publics

(1) Year ended 31 December 2013
(*) Listed company

Christophe de MARGERIE
Principal function: ***Chairman and Chief Executive Officer*** **of Compagnie Total**

Born on 6 August 1951
Term start and end dates: 15 May 2013 – 2016 AGM
First elected to the Board on: 15 May 2013

Number of BNP Paribas shares held[1]: 1,200
Business address: 2, place Jean-Millier
La Défense 6,
92078 LA DEFENSE CEDEX,
FRANCE

Education
Graduate of the École Supérieure de Commerce de Paris

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Shtokman Development AG (Switzerland), Director
Total SA[*], Director and Chairman and Chief Executive Officer
Vivendi[*], Member of the Supervisory Board of

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, member of the Accounting Committee
Total SA, Chairman of the Strategic Committee

Other[1]
Director of the Institut du Monde Arabe

(1) Year ended 31 December 2013
(*) Listed company

Nicole MISSON
Principal function: ***Customer Advisor***

Born on 21 May 1950
Term start and end dates: representative for management employees of BNP Paribas for three years, from 16 February 2012 – 15 February 2015
First elected to the Board on: 1 July 2011

Number of BNP Paribas shares held(1)*:* 174
Office address: 22, rue de Clignancourt
75018 PARIS,
FRANCE

Education

Offices held(1) in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas(*), Director

Participation(1) in Special Committees of French or foreign companies
BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee and the Compensation Committee

Other(1)
Judge at the Paris Employment Tribunal, Management Section,
Member of the Commission Paritaire de la Banque (Association Française des Banques – Recourse Commission)

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

2012:	2011:
Judge at the Paris Employment Tribunal, Management Section, **Member of:** the Commission Paritaire de la Banque (Association Française des Banques – Recourse Commission)	Judge at the Paris Employment Tribunal, Management Section, **Member of:** the Commission Paritaire de la Banque (Association Française des Banques – Recourse Commission)

(1) Year ended 31 December 2013
(*) Listed company

Thierry MOUCHARD
Principal function: ***Administrative Assistant, Customer Transactions Department***

Born on 4 July 1960
Term start and end dates: 16 February 2012 (on which date Thierry MOUCHARD was elected by employees) – 15 February 2015
First elected to the Board on: 16 February 2012

Number of BNP Paribas shares held(2)*:* 10
Office address: 41, Boulevard du Maréchal Foch
49000 ANGERS,
FRANCE

Education

Offices held(1) in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas(*), Director

Participation(1) in Special Committees of French or foreign companies
BNP Paribas, member of the Financial Statements Committee

2012:
Nil

(1) Year ended 31 December 2013
(*) Listed company

Laurence PARISOT
Principal function: ***Vice-Chairman of the Management Board*** of IFOP SA

Born on 31 August 1959
Term start and end dates: 23 May 2012 – 2015 AGM
First elected to the Board on: 23 May 2006

Number of BNP Paribas shares held[(1)]*:* 755
Office address: Immeuble Millénaire 2
35, rue de la Gare
75019 PARIS, FRANCE
FRANCE

Education
Graduate of the Institut d'Études Politiques de Paris
Master's in Public Law, Université de Nancy II
Master of Advanced Studies, Institut d'Etudes Politiques de Paris

Offices held[(1)] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[(*)], Director

Offices held[(1)] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Coface SA, Director
Member of the Supervisory Board of Compagnie Générale des Établissements Michelin (SCA)[(*)]
Fives, Director
IFOP SA, Vice Chairwoman of the Management Board

Participation[(1)] in Special Committees of French or foreign companies
BNP Paribas, member of the Corporate Governance and Nominations Committee
Member of the Compensation Committee of Compagnie Générale des Établissements Michelin (SCA)

Other[(1)]
Honorary Chairman of Mouvement des Entreprises de France (Medef)

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

2012:	2011:	2010:	2009:
Vice-Chairman of the Management Board of: IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Compagnie Générale des Établissements Michelin (SCA)	**Vice Chairman of the Management Board of:** IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Compagnie Générale des Établissements Michelin (SCA)	**Vice-Chairman of the Management Board of:** IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Michelin	**Vice-Chairman of the Management Board of:** IFOP SA **Chairman of:** Mouvement des Entreprises de France (MEDEF) **Director of:** Coface SA **Member of the Supervisory Board of:** Michelin

(1) Year ended 31 December 2013
(*) Listed company

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

Born on 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[(1)]*:* 1,609
Office address: 162, rue du Faubourg Saint Honoré
75008 PARIS,
FRANCE

Education
Graduate of the Institut d'Études Politiques de Paris
Graduate of the Institut Européen d'Administration des Affaires (Insead)
Degree in Law and English
Master of Arts in Public Administration

Offices held[(1)] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[(*)], Director

Offices held[(1)] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Ferring SA (Switzerland), Director
Genesis Emerging Markets Fund Limited (Guernsey), Director
Hélène PLOIX SARL, manager
Hélène Marie Joseph SARL, manager
Lafarge[(*)], Director
Pechel Industries Partenaires (SAS) in: Goëmar Holding (Luxembourg), Store Electronic Systems,, permanent representative
Member of the Supervisory Board of Publicis Groupe
Sofina[(*)] (Belgium), Director
Sorepe Société Civile, manager

Participation[(1)] in Special Committees of French or foreign companies
BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee and the Compensation Committee
Lafarge, Chairman of the Audit Committee
Publicis Groupe member of the Strategic and Risk Committee and the Audit Committee
Sofina, Chairman of the Audit Committee

Other[(1)]
Member of Institut Français des Administrateurs (IFA)

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

2012:
Chairman of: Pechel Industries (SAS) and Pechel Industries Partenaires (SAS) and FSH (SAS)
Director of: Lafarge, Ferring SA (Switzerland), Sofina (Belgium), Genesis Emerging Markets Fund Limited (Guernsey)
Permanent Representative of: Pechel Industries Partenaires (SAS): Ypso Holding (Luxembourg), Goëmar Holding (Luxembourg), Store Electronic Systems (France)
Member of the Supervisory Board of: Publicis Groupe, Goëmar Développement, Laboratoires Goëmar
Manager of: Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile
Member of: Insitut Français des Administrateurs (IFA), Organisation Métrologique Mondiale (OMM)

2011:
Chairman of: Pechel Industries (SAS) and Pechel Industries Partenaires (SAS) and FSH (SAS)
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 of 2011), Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organization (WHO), Institut Français des Administrateurs

2010:
Chairman of: Pechel Industries (SAS) and Pechel Industries Partenaires (SAS) and 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 and 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

(1) Year ended 31 December 2013
(*) Listed company

Louis SCHWEITZER
Principal function: *Chairman of* France Initiative – Honorary Chairman of Renault

Born on 8 July 1942
Term start and end dates: 12 May 2010 – 15 May 2013
First elected to *the* *Board on:* 14 December 1993

Number of BNP Paribas shares held[(1)]*:* 25,233
Office address: 8-10, avenue Émile-Zola
92109 BOULOGNE-BILLANCOURT CEDEX,
FRANCE

Education
Graduate of the Institut d'Études Politiques de Paris
Graduate of the École Nationale d'Administration

Offices held[(1)] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Allianz[(*)] (Germany), member of the Advisory Committee
Bosch (Germany), member of the Advisory Committee
L'Oréal[(*)], Director
Honorary Chairman of*Renault
Veolia Environnement (*), Director

Participation[(1)] in Special Committees of French or foreign companies
L'Oréal, member of the Audit Committee and the Strategic and Sustainable Development Committee
Veolia Environnement, member of the Appointments and Compensation Committee

Other[(1)]
Member of the Board of the Fondation Nationale des Sciences Politiques and the Musée du quai Branly
Chairman of: France Initiative, Festival d'Avignon and MC93

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

2012:
Chairman of: France Initiative
Honorary Chairman of: Renault
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: Festival d'Avignon, MC 93

2011:
Chairman of: France Initiative
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: Allianz (Germany), Bosch (Germany)
Member of the Board of: Fondation Nationale des Sciences Politiques, Musée du quai Branly
Chairman of: Festival d'Avignon, MC 93

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:
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 quai Branly

(1) Year ended 31 December 2013
(*) Listed company

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

Born on 21 July 1952
Term start and end dates: 15 May 2013 – 2016 AGM
First elected to the Board on: 12 May 2010
(Michel Tilmant held the position of non-voting director of BNP Paribas from 4 November 2009 to 11 May 2010)

Number of BNP Paribas shares held(1): 500
Office address: Rue du Moulin 10
B – 1310 LA HULPE
BELGIUM

Education
Graduate of the University of Louvain

Offices held(1) in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas(*), Director

Offices held(1) outside BNP Paribas Group in listed or unlisted companies, in France or abroad
CapitalatWork Foyer Group SA (Luxembourg), Director
Senior Advisor: Cinven Ltd (United Kingdom)
Foyer Assurances SA (Luxembourg), Director
Groupe Lhoist SA (Belgium), Director
Guardian Financial Services Holdings Limited (United Kingdom), Director
Guardian Assurance Limited (UK), Director
Guardian Holdings Limited (Jersey), Director
Guardian Acquisitions Limited (UK), Director
NBGB SA (Belgium), Director
Royal Automobile Club of Belgium (Belgium), Director
Sofina SA(*) (Belgium), Director
Strafinsprl (Belgium), manager
Université Catholique de Louvain (Belgium), Director

Participation(1) in Special Committees of French or foreign companies
BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee

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

2012:
Chairman of: Guardian Holdings Limited (Jersey), Guardian Acquisitions Limited (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 (Belgium)
Senior Advisor: Cinven Ltd (United Kingdom)

2011:
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 (Belgium)
Senior Advisor: Cinven Ltd (United Kingdom)

2010:
Senior Advisor: 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 (Belgium)

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(1) Year ended 31 December 2013
(*) Listed company

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

Born on 30 April 1941
Term start and end dates: 15 May 2013 – 2016 AGM
First elected to the Board on: 12 May 2010
(Mr Emiel Van Broekhoven held the position of non-voting director of BNP Paribas from 4 November 2009 to 11 May 2010)

Number of BNP Paribas shares held[(1)]: 550
Office address: Zand 7 – 9
B – 2000 ANTWERP
BELGIUM

Education
Graduate of Saint Ignatius Business College (Belgium)
Doctor of Economic Sciences, Oxford University (United Kingdom)

Offices held[(1)] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[(*)], Director

Participation[(1)] in Special Committees of French or foreign companies
BNP Paribas, member of the Accounting Committee

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

2012:	**2011:**	**2010:**
Nil	Nil	Nil

(1) Year ended 31 December 2013
(*) Listed company

Daniela WEBER-REY
Principal function: Partner at Clifford Chance, Frankfurt (Germany)

Born on 18 November 1957
Term start and end dates: 11 May 2011 – 31 May 2013
First elected to the Board on: 21 May 2008

Number of BNP Paribas shares held[(1)]: 2,241
Office address: Mainzer Landstrasse 46
D 60325 – FRANKFURT AM MAIN
GERMANY

Education
Graduate of the University of Frankfurt am Main (Germany) and Columbia University (USA)

Other[(1)]
Clifford Chance, Frankfurt (Germany), partner
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
Board member European Corporate Governance Institute (ECGI), Brussels (Belgium),
Advisory board member International Institute for Insurance Regulation (ICIR), Frankfurt (Germany)

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

2012:	**2011:**	**2010:**	**2009:**
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, Board member European Corporate Governance Institute (ECGI), Brussels (Belgium), Advisory Board member International Institute for Insurance Regulation (ICIR), Frankfurt (Germany)	**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	**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	**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

(1) Year ended 31 December 2013

Fields WICKER-MIURIN
Principal function: Co-founder and Partner at Leaders' Quest (United Kingdom)

Born on 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[1]: 139
Business address: 11-13 Worple Way
Richmond-upon-Thames, SURREY TW10 6DG,
United Kingdom

Education
Institut d'Études Politiques de Paris
Graduate of the University of Virginia and Johns Hopkins University (USA)

Offices held[1] in BNP Paribas Group listed or unlisted companies, in France or abroad
BNP Paribas[*], Director

Offices held[1] outside BNP Paribas Group in listed or unlisted companies, in France or abroad
Ballarpur Industries Ltd (BILT), Director
CDC Group Plc, Director
SCOR SE[*], Director

Participation[1] in Special Committees of French or foreign companies
BNP Paribas, member of the Accounting Committee
SCOR SE, member of the Strategic Committee, Risk Committee and Appointments Committee
BILT, member of the Audit Committee and the Compensation Committee

Other[1]
Administrator of the Ministry of Justice of Her Majesty's Government (UK)
Member of the Board of Battex School of Leadership – University of Virginia (United States)

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

2012:
Director of: CDC Group Plc, Ballarpur International Graphic Paper Holdings
Member of: the Board of Battex School of Leadership – University of Virginia (United States)

2011:
Director of: CDC Group Plc, Ballarpur International Graphic Paper Holdings
Member of: the Board of Battex School of Leadership – University of Virginia (United States)

(1) Year ended 31 December 2013
(*) Listed company

Legal and Arbitration Proceedings

As noted in its financial statements in recent years, following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. regulators and law enforcement and other governmental authorities, the Bank conducted over several years an internal, retrospective review of certain U.S. dollar payments involving countries, persons and entities that could have been subject to economic sanctions under U.S. law in order to determine whether the Bank had, in the conduct of its business, complied with such laws.

The review identified a significant volume of transactions that, even though they were not prohibited by the laws of the countries of the Bank entities that initiated them, could be considered impermissible under U.S. laws and regulations including, in particular, those of the Office of Foreign Assets Control (OFAC).

The Bank has presented the findings of this review to the U.S. authorities and commenced subsequent discussions with them. Although the amount of financial consequences, fines or penalties cannot be determined at this stage, the Bank has, in accordance with IFRS requirements, recorded a provision of USD 1.1 billion (EUR 0.8 billion) in its financial statements for the fourth quarter of 2013. There have been no discussions with the U.S. authorities about the amount of any fines or penalties and the U.S. authorities have not approved or passed upon the adequacy or reasonableness of such provision. There therefore remains considerable uncertainty as to the actual amount of fines or penalties that the U.S. authorities could impose on the Bank following completion of the ongoing process, the timing of which is uncertain. The actual amount could thus be different, possibly very different, from the amount of the provision.

Given its exceptional nature and significant amount, in accordance with IFRS this provision has been set out as a specific line item in the income statement within operating income.

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 alleged, 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 contended 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 was pleaded under the US Racketeer Influenced and Corrupt Organisations Act ("RICO") which allows treble damages if damages are awarded. The defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. On 6 February 2013, the complaint was dismissed by the United States District Court Southern District of New York (which means that the plaintiff does not have the opportunity to re-file an amended complaint). On 15 February 2013, the Republic of Iraq filed a notice of appeal before the United States Court of Appeals for the Second Circuit.

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

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these disputes are litigations brought by shareholder groups in the Netherlands and Belgium against (among others) Ageas and BNP Paribas Fortis, in the context of the capital increase of Fortis (now Ageas) completed in October 2007 in connection with the acquisition of ABN Amro Bank N.V. and the subsequent communication on the subprimes exposure. The Bank is vigorously defending itself in these proceedings. Lately, a Court confirmed that Ageas was liable for mismanagement regarding its communication. The possibility cannot be ruled out that the outcome of such litigations or investigations might have an impact on BNP Paribas Fortis.

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.

RISK FACTORS

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 obligations

The Structured Products are not secured on any of our or the Guarantor's assets or any collateral. Each series of Structured Products will constitute our general unsecured contractual obligations and the general unsecured 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.

If we become insolvent or default on our obligations under the Structured Products or the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as our or the Guarantor's unsecured creditor regardless of the performance of the underlying asset and you may not be able to recover all or even part of the amount due under the Structured Products (if any).

Any downgrading of the Guarantor's rating by rating agencies such as Moody's, S&P or Fitch 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 the Settlement Currency. 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. Such amount may be substantially less than your initial investment and may be zero.

Foreign Account Tax Compliance withholding may affect payments on the Structured Products

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Structured Products are in dematerialised form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer's obligations under the Structured Products are discharged once it has paid the clearing systems and an Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Taxation in the United States of America – Foreign Account Tax Compliance Act*."

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 expired, 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.

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.

TAXATION

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.

Taxation in the United States of America

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Structured Products characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S.

Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Structured Products characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Structured Products are issued before the grandfathering date, and additional Structured Products of the same series are issued on or after that date, the additional Structured Products may not be treated as grandfathered, which may have negative consequences for the existing Structured Products, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Netherlands have entered into an agreement (the "**US-Netherlands IGA**") based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Netherlands IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. If the Issuer becomes a Participating FFI, the Issuer and financial institutions through which payments on the Structured Products are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Structured Products is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Structured Products are held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Structured Products by the Issuer, the Guarantor or any paying agent, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Structured Products.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Structured Products.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

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, 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 may constitute a violation of United States laws governing securities and commodities trading.

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 all dealers participating in the distribution of the Structured Products will not be permitted by us 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.

Each purchaser of Structured Products will be deemed by its acceptance of the Structured Products to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is purchasing the Structured Products, that it has not and will not purchase, 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.

Each purchaser acknowledges that we and the dealers will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations or warranties deemed to have been made by such purchaser by its purchase of Structured Products are no longer accurate, it shall promptly notify us and the relevant dealer. If acquiring Structured Products as a fiduciary or agent for one or more investor accounts, each purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Terms used herein, including, "**United States**" and "**U.S. person**", have the meanings given to them by 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**"), each dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an 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 other than:

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

(b) 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), as permitted under the Prospectus Directive subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

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

provided that no such offer of Structured Products shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 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, 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

Each dealer has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Structured Products in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA 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 2 April 2014. 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 2 April 2014. 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 2 April 2014 ("**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.

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 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 **Representations:** The Guarantor represents and warrants to each Holder that it has the full power and authority, and has taken all necessary steps, to execute and deliver this Guarantee and to perform its obligations hereunder and this Guarantee constitutes the valid and binding obligations of the Guarantor and is enforceable in accordance with its terms.

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 2 April 2014"

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 2 April 2014 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 2 April 2014 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 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 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.

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 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 the Settlement Currency 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;

"**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;

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

"**Settlement Date**" means the third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions;

"**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 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 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 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 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 the relevant currency 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 scrip 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

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

E : Existing Entitlement immediately prior to the Cash Distribution

S : The closing price of the Share on the Stock Exchange on the 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 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 the relevant 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
59th-63rd Floors
Two International Finance Centre
8 Finance Street
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 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 the Settlement Currency 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;

"**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;

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

"**Settlement Date**" means the third CCASS Settlement Day after the later of (i) the Expiry Date and (ii) the day on which the Average Price is determined in accordance with the Conditions;

"**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 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 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:

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

Where:

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

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 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:

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

Where:

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

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 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 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 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 the relevant currency 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 scrip 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 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 the relevant 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.

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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:

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

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

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

"**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;

"**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;

"**Listing Date**" means the date specified as such 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 after the later of: (i) the Expiry Date; and (ii) the day on which the Closing Level is determined in accordance with the Conditions;

"**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;

"**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;

"**Listing Date**" means the date specified as such in the relevant Supplemental 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 after 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;

"**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;

"**Listing Date**" means the date specified as such in the relevant Supplemental 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 after 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.

Sponsor

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

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;

"**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;

"**Listing Date**" means the date specified as such in the relevant Supplemental 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 after 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
8 Finance Street
Central, Hong Kong

APPENDIX 3 — PRODUCT CONDITIONS OF CBBCS

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

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

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Price is determined in accordance with the Conditions (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. 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***

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

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, rules, regulations and guidelines 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, rules, regulations or guidelines. 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:

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

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 Strike Price and the Call Price (which shall be rounded to the nearest 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:

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

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 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 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 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 the relevant currency 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 scrip 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:

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

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 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 Strike Price and the Call Price (which shall be rounded to the nearest 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 the relevant 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

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:

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

  (ii) in the case of a series of bear CBBCs:

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

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:

$$\text{Residual Value per Board Lot} = \frac{(\text{Minimum Index Level} - \text{Strike Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{(\text{Strike Level} - \text{Maximum Index Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

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

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Level is determined in accordance with the Conditions (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. 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***

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

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, rules, regulations and guidelines 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, rules, regulations or guidelines. 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

BNP Paribas Securities (Asia) Limited
59th-63rd Floors
Two International Finance Centre
8 Finance Street
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 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 Currency**" means the currency specified as such in the relevant Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Price is determined in accordance with the Conditions (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. 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***

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

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, rules, regulations and guidelines 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, rules, regulations or guidelines. 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 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 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 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 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 the relevant currency 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 scrip 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 Strike Price and the Call Price (which shall be rounded to the nearest 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 the relevant 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 — A BRIEF GUIDE TO CREDIT RATINGS

Information set out in this Appendix 4 is based on, extracted or reproduced from the website of S&P at https://ratings.standardandpoors.com, the website of Moody's at https://www.moodys.com and the website of Fitch at https://www.fitchratings.com, as of 1 April 2014. Information appearing on those websites does not form part of this document, and we accept no responsibility for the accuracy or completeness of the information appearing on those websites, except that we have accurately extracted and reproduced such information in this Appendix 4 and take responsibility for such extraction and reproduction. We have not separately verified such information. There can be no assurance that such information will not be revised by the relevant rating agency in the future and we have no responsibility to notify you of such change. If you are unsure about any information provided in this Appendix 4 and/or what a credit rating means, you should seek independent professional advice.

What is a credit rating?

A credit rating is a forward looking opinion by a credit rating agency of a company's overall ability to meet its financial obligations. The focus is on the company's capacity to pay its debts as they become due. The rating does not necessarily apply to any specific obligation.

What do the credit ratings mean?

Below are guidelines issued by S&P, Moody's and Fitch on what each of their investment-grade ratings means as of 1 April 2014.

S&P long-term issuer credit ratings

AAA

An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P.

AA

An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

A

An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB

An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

Plus (+) or minus (-)

The above ratings (except for 'AAA') may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Please refer to https://ratings.standardandpoors.com/about/about-credit-ratings for further details.

Moody's long-term ratings definitions

Aaa

Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa

Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A

Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa

Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Modifiers "1", "2" and "3"

Moody's appends numerical modifiers 1, 2 and 3 to each of the above generic rating classifications (except for Aaa). The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Please refer to https://www.moodys.com/Pages/amr002002.aspx for further details.

Fitch's long-term ratings definitions

AAA

Highest credit quality. 'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA

Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A

High credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB

Good credit quality. 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

Modifiers "+" and "-"

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' long-term rating category.

Please refer to https://www.fitchratings.com/web_content/ratings/fitch_ratings_definitions_and_scales.pdf for further details.

Rating Outlooks

A rating outlook indicates the potential direction of a long-term credit rating over the intermediate term (for example, this is typically six months to two years for S&P, whereas for Fitch it is a one to two year period). A rating outlook issued by S&P or Moody's will usually indicate whether the potential direction is likely to be "positive", "negative", "stable" or "developing" whereas a rating outlook issued by Fitch will usually indicate whether the potential direction is likely to be "positive", "negative", "stable" or "evolving". Please refer to the abovementioned websites of the relevant credit rating agencies for further details regarding rating outlooks published by the relevant credit rating agencies.

APPENDIX 5 — AUDITORS' REPORT AND THE GUARANTOR'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The information in this Appendix 5 is the Guarantor's Consolidated Financial Statements for the year ended 31 December 2013. Auditors' report and the Guarantor's Consolidated Financial Statements for the year ended 31 December 2013 are free English translations of the French original versions. References to page numbers on the following pages are to the page numbers of such Consolidated Financial Statements. We draw your attention to the fact that the information presented in Chapter 5 of the Guarantor's registration document and identified by the word "Audited", which is an integral part of the notes to the Guarantor's consolidated financial statements, is not included in the Base Listing Document and, on the date of issuance of the present document, has only been made available by BNP Paribas in its original French version. The Auditors' report only covers the Guarantor's consolidated financial statements as at December 31, 2013 and for the year then ended, including the information referred to above which is an integral part of those financial statements.

BNP PARIBAS

STATUTORY AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

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 2013

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 2013, 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 2013 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.

Without qualifying our opinion, we draw your attention to the matters set out in note 3.g to the consolidated financial statements regarding the provision related to US dollar payments involving parties subject to US sanctions, and note 1.a to the consolidated financial statements, which describes the changes in accounting methods relating to the amendment to IAS 19 – Employee Benefits and IFRS 13 – Fair Value Measurement.

II – Justification of our assessments

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, 3.f, 5.f and 5.g to the consolidated financial statements. We examined the control procedures applicable to identifying risk exposure, monitoring credit and counterparty risk, defining impairment testing methods and determining individual and portfolio-based impairment losses.

Measurement of financial instruments

BNP Paribas uses internal models and methodologies to value its positions on financial instruments which are not traded on active markets, as well as to determine certain provisions and assess whether hedging designations are appropriate. We examined the control procedures applicable to identifying inactive markets, verifying these models and determining the inputs used.

Impairment of available-for-sale assets

BNP Paribas recognises impairment losses on available-for-sale assets where there is objective evidence of a prolonged or significant decline in value, as described in notes 1.c.5, 3.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 2013, 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 recognises deferred tax assets during the year, notably in respect of tax loss carryforwards, as described in notes 1.k, 3.h and 5.k to the consolidated financial statements. We examined the main estimates and assumptions used to record the deferred tax assets.

Provisions for employee benefits

BNP Paribas raises provisions to cover its employee benefit obligations, as described in notes 1.h, 2 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 2014

The Statutory Auditors

Deloitte & Associés	PricewaterhouseCoopers Audit	Mazars
Damien Leurent	Etienne Boris	Hervé Hélias

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2013

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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 2013 and 31 December 2012. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for 2011 are provided in the registration document filed with the Autorité des marchés financiers on 8 March 2013 under number D.13-0115.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

In millions of euros	Notes	Year to 31 Dec. 2013	Year to 31 Dec.2012 [1]
Interest income	3.a	38,955	44,476
Interest expense	3.a	(18,359)	(22,731)
Commission income	3.b	12,301	12,601
Commission expense	3.b	(5,123)	(5,069)
Net gain/loss on financial instruments at fair value through profit or loss	3.c	4,581	3,312
Net gain/loss on available-for-sale financial assets and other financial assets not measured at fair value	3.d	1,665	1,624
Income from other activities	3.e	34,350	33,720
Expense on other activities	3.e	(29,548)	(28,861)
REVENUES		**38,822**	**39,072**
Salary and employee benefit expense	7.a	(14,842)	(15,248)
Other operating expense		(9,714)	(9,752)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	5.n	(1,582)	(1,543)
GROSS OPERATING INCOME		**12,684**	**12,529**
Cost of risk	3.f	(4,054)	(3,941)
Provision related to US dollar payments involving parties subject to US sanctions	3.g	(798)	-
OPERATING INCOME		**7,832**	**8,588**
Share of earnings of associates		323	489
Net gain on non-current assets		285	1,792
Goodwill	5.o	(251)	(490)
PRE-TAX INCOME		**8,189**	**10,379**
Corporate income tax	3.h	(2,750)	(3,061)
NET INCOME		**5,439**	**7,318**
Net income attributable to minority interests		607	754
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**4,832**	**6,564**
Basic earnings per share	8.a	3.69	5.17
Diluted earnings per share	8.a	3.68	5.16

[1] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

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

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 [1]
Net income for the period	**5,439**	**7,318**
Changes in assets and liabilities recognised directly in equity	**(1,376)**	**5,403**
Items that are or may be reclassified to profit or loss	**(1,711)**	**5,513**
- Changes in exchange rate movements	(1,228)	109
- Changes in fair value of available-for-sale financial assets, including those reclassified as loans and receivables	1,308	4,761
- Changes in fair value of available-for-sale financial assets reported in net income, including those reclassified as loans and receivables	(646)	(284)
- Changes in fair value of hedging instruments	(836)	559
- Changes in fair value of hedging instruments reported in net income	-	6
- Changes in investments in associates	(309)	362
Items that will not be reclassified to profit or loss	**335**	**(110)**
- Remeasurement gains (losses) related to post-employment benefit plans	341	(105)
- Changes in investments in associates	(6)	(5)
Total	**4,063**	**12,721**
- Attributable to equity shareholders	3,874	11,090
- Attributable to minority interests	189	1,631

[1] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

BALANCE SHEET AT 31 DECEMBER 2013

In millions of euros	Notes	31 December 2013	31 December 2012 (1)
ASSETS			
Cash and amounts due from central banks		101,066	103,190
Financial instruments at fair value through profit or loss			
Trading securities	5.a	157,740	143,465
Loans and repurchase agreements	5.a	145,308	146,899
Instruments designated at fair value through profit or loss	5.a	67,230	62,800
Derivative financial instruments	5.a	301,409	410,635
Derivatives used for hedging purposes	5.b	8,426	14,267
Available-for-sale financial assets	5.c	203,413	192,506
Loans and receivables due from credit institutions	5.f	50,487	40,406
Loans and receivables due from customers	5.g	617,161	630,520
Remeasurement adjustment on interest-rate risk hedged portfolios		3,657	5,836
Held-to-maturity financial assets	5.j	9,881	10,284
Current and deferred tax assets	5.k	9,048	8,732
Accrued income and other assets	5.l	89,105	99,207
Investments in associates	5.m	5,747	7,031
Investment property	5.n	713	927
Property, plant and equipment	5.n	17,177	17,319
Intangible assets	5.n	2,577	2,585
Goodwill	5.o	9,994	10,591
TOTAL ASSETS		**1,800,139**	**1,907,200**
LIABILITIES			
Due to central banks		661	1,532
Financial instruments at fair value through profit or loss			
Trading securities	5.a	69,803	52,432
Borrowings and repurchase agreements	5.a	195,934	203,063
Instruments designated as at fair value through profit or loss	5.a	45,329	43,530
Derivative financial instruments	5.a	297,081	404,598
Derivatives used for hedging purposes	5.b	12,289	17,286
Due to credit institutions	5.f	85,021	111,735
Due to customers	5.g	557,903	539,513
Debt securities	5.i	183,507	173,198
Remeasurement adjustment on interest-rate risk hedged portfolios		924	2,067
Current and deferred tax liabilities	5.k	2,632	2,943
Accrued expenses and other liabilities	5.l	78,676	86,691
Technical reserves of insurance companies	5.p	155,226	147,992
Provisions for contingencies and charges	5.q	11,963	11,380
Subordinated debt	5.i	12,028	15,223
TOTAL LIABILITIES		**1,708,977**	**1,813,183**
CONSOLIDATED EQUITY			
Share capital, additional paid-in capital and retained earnings		*80,824*	*75,654*
Net income for the period attributable to shareholders		*4,832*	*6,564*
Total capital, retained earnings and net income for the period attributable to shareholders		85,656	82,218
Change in assets and liabilities recognised directly in equity		1,935	3,226
Shareholders' equity		**87,591**	**85,444**
Retained earnings and net income for the period attributable to minority interests		3,579	8,161
Changes in assets and liabilities recognised directly in equity		(8)	412
Total minority interests		**3,571**	**8,573**
TOTAL CONSOLIDATED EQUITY		**91,162**	**94,017**
TOTAL LIABILITIES AND EQUITY		**1,800,139**	**1,907,200**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

In millions of euros	Notes	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Pre-tax income		**8,189**	**10,379**
Non-monetary items included in pre-tax net income and other adjustments		**9,389**	**8,533**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		3,490	3,663
Impairment of goodwill and other non-current assets		167	493
Net addition to provisions		10,908	6,997
Share of earnings of associates		(323)	(489)
Net expense (income) from investing activities		86	(1,783)
Net expense (income) from financing activities		(90)	217
Other movements		(4,849)	(565)
Net increase (decrease) in cash related to assets and liabilities generated by operating activities		**(7,176)**	**38,424**
Net decrease in cash related to transactions with credit institutions		(33,538)	(22,052)
Net increase in cash related to transactions with customers		44,366	47,028
Net increase (decrease) in cash related to transactions involving other financial assets and liabilities		(13,004)	17,890
Net decrease in cash related to transactions involving non-financial assets and liabilities		(2,135)	(2,455)
Taxes paid		(2,865)	(1,987)
NET INCREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**10,402**	**57,336**
Net increase (decrease) in cash related to acquisitions and disposals of consolidated entities		(482)	2,911
Net decrease related to property, plant and equipment and intangible assets		(1,501)	(1,631)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(1,983)**	**1,280**
Increase (decrease) in cash and equivalents related to transactions with shareholders		(2,234)	543
Decrease in cash and equivalents generated by other financing activities		(3,506)	(8,246)
NET DECREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(5,740)**	**(7,703)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS		**(4,776)**	**(1,035)**
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**(2,097)**	**49,878**
Balance of cash and equivalent accounts at the start of the period		**100,207**	**50,329**
Cash and amounts due from central banks		103,190	58,382
Due to central banks		(1,532)	(1,231)
On demand deposits with credit institutions	5.f	8,665	12,099
On demand loans from credit institutions	5.f	(9,840)	(18,308)
Deduction of receivables and accrued interest on cash and equivalents		(276)	(613)
Balance of cash and equivalent accounts at the end of the period		**98,110**	**100,207**
Cash and amounts due from central banks		101,066	103,190
Due to central banks		(661)	(1,532)
On demand deposits with credit institutions	5.f	7,392	8,665
On demand loans from credit institutions	5.f	(9,536)	(9,840)
Deduction of receivables and accrued interest on cash and equivalents		(151)	(276)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS		**(2,097)**	**49,878**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

STATEMENT OF CHANGES IN SHAREHOLDERS'

In millions of euros	Capital and retained earnings						
	Attributable to shareholders				Minority interests		
	Share capital and additional paid-in capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Capital and retained earnings	Preferred shares eligible as Tier 1 capital	Total
Capital and retained earnings at 31 December 2011 (before amendement to IAS 19)	**25,678**	**7,261**	**43,825**	**76,764**	**9,342**	**1,395**	**10,737**
Retrospective impact of the amendment to IAS 19			(354)	(354)	58		58
Capital and retained earnings at 1st January 2012 [(1)]	**25,678**	**7,261**	**43,471**	**76,410**	**9,400**	**1,395**	**10,795**
Appropriation of net income for 2011			**(1,430)**	**(1,430)**	**(236)**		**(236)**
Increases in capital and issues	1,153			1,153			
Reduction in capital	(378)			(378)	(250)	(683)	(933)
Movements in own equity instruments	268	(20)	(46)	202	10		10
Share-based payment plans			72	72			
Remuneration on preferred shares and undated super subordinated notes			(280)	(280)	(86)		(86)
Impact of internal transactions on minority shareholders (note 8.c)			8	8	(11)		(11)
Movements in consolidation scope impacting minority shareholders					(2,027)		(2,027)
Acquisitions of additional interests or partial sales of interests (note 8.c)					(4)		(4)
Change in commitments to repurchase minority shareholders' interests			5	5	(15)		(15)
Other movements	(7)		(7)	(14)	(76)	40	(36)
Change in assets and liabilities recognised directly in equity [(1)]			(94)	(94)	(16)		(16)
Net income for 2012			**6,564**	**6,564**	**754**		**754**
Interim dividend payments					(34)		(34)
Capital and retained earnings at 31 December 2012 [(1)]	**26,714**	**7,241**	**48,263**	**82,218**	**7,409**	**752**	**8,161**
Appropriation of net income for 2012			**(1,863)**	**(1,863)**	**(171)**		**(171)**
Increases in capital and issues	108			108			
Reduction in capital		(649)	(1)	(650)		(712)	(712)
Movements in own equity instruments	(9)	22	(90)	(77)			
Share-based payment plans			49	49			
Remuneration on preferred shares and undated super subordinated notes			(266)	(266)	(42)		(42)
Impact of internal transactions on minority shareholders (note 8.c)			78	78	(83)		(83)
Movements in consolidation scope impacting minority shareholders			(16)	(16)	(15)		(15)
Acquisitions of additional interests or partial sales of interests (note 8.c)			911	911	(4,161)		(4,161)
Change in commitments to repurchase minority shareholders' interests			(1)	(1)	(8)		(8)
Other movements	(1)		1		11		11
Change in assets and liabilities recognised directly in equity			333	333	2		2
Net income for 2013			**4,832**	**4,832**	**607**		**607**
Interim dividend payments					(10)		(10)
Capital and retained earnings at 31 December 2013	**26,812**	**6,614**	**52,230**	**85,656**	**3,539**	**40**	**3,579**

[(1)] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

EQUITY BETWEEN 1 JAN. 2012 AND 31 DEC. 2013

Changes in assets and liabilities recognised directly in equity					Total equity
Attributable to shareholders				Minority interests	
Exchange rates	Financial assets available for sale and reclassified as loans and receivables	Derivatives used for hedging purposes	Total		
(445)	**(2,196)**	**1,247**	**(1,394)**	**(481)**	**85,626**
					(296)
(445)	**(2,196)**	**1,247**	**(1,394)**	**(481)**	**85,330**
					(1,666)
					1,153
					(1,311)
					212
					72
					(366)
					(3)
					(2,027)
					(4)
					(10)
					(50)
(56)	4,345	331	4,620	893	5,403
					7,318
					(34)
(501)	**2,149**	**1,578**	**3,226**	**412**	**94,017**
					(2,034)
					108
					(1,362)
					(77)
					49
					(308)
					(5)
					(31)
					(3,250)
					(9)
					11
(1,386)	861	(766)	(1,291)	(420)	(1,376)
					5,439
					(10)
(1,887)	**3,010**	**812**	**1,935**	**(8)**	**91,162**

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 the application of IFRS 10, 11, 12 and the amended IAS 28 relating to the consolidation principles will be mandatory only from 1 January 2014.

In the consolidated financial statements at 31 December 2013, the Group has adopted the amendment to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" adopted by the European Union on 29 December 2012 (see note 5.r). This amendment has no impact on the recognition and measurement of transactions.

As of 1 January 2013, the Group has applied the amendment to IFRS 13 "Fair Value Measurement" adopted by the European Union on 29 December 2012 and has recognised an adjustment of the model value of derivative instruments in order to take into account its own credit risk (see note 5.d).

As of 1 January 2013, the Group has applied the amendment to IAS 19 "Employee Benefits" adopted in June 2012 by the European Union: the retirement benefit liability is recognised in the Group's balance sheet taking into account actuarial gains or losses which had not been recognised or amortised. As this amendment has a retrospective effect, the comparative financial statements as at 1 January and 31 December 2012 have been restated as presented in note 2.

The introduction of other standards, which are mandatory as of 1 January 2013, has no effect on the 2013 financial statements.

The Group did not choose to early-adopt the new standards, amendments, and interpretations adopted by the European Union, whose application in 2013 was optional.

On 29 December 2012, the European Union adopted IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and the amended IAS 28 "Investments in Associates and Joint Ventures", mandatory in Europe for financial periods starting on or after 1 January 2014. The application of these standards will have an estimated impact of EUR -13 billion on the Group's balance sheet total at 1 January 2013, of which an increase of about EUR 6 billion relating to the adoption of IFRS 10 and a decrease of EUR -19 billion relating to the adoption of IFRS 11. There is no material impact on consolidated equity and on profit and loss.

The European Union adopted on 29 December 2012 the amendment to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities" and on 20 December 2013 the amendment to IAS 39 "Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting", mandatory for financial periods starting on or after 1 January 2014. The Group is in the process of analysing the potential impacts of these new standards on the consolidated financial statements.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 "Financial Instruments: Disclosures" and to insurance contracts as required by IFRS 4 "Insurance Contracts", along with information on regulatory capital required by IAS 1 "Presentation of Financial

(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.

Statements" are presented in Chapter 5 of the registration document. 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 net income before tax, EUR 500 million of total consolidated assets. Companies that hold shares in consolidated companies are also consolidated.

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

The Group also consolidates special purpose entities (SPEs) formed specifically to manage a transaction or a group of transactions with similar characteristics, even where the Group has no equity interest in the entity, provided that the substance of the relationship indicates that the Group exercises control as assessed by reference to the following criteria:

- the activities of the SPE are being conducted exclusively on behalf of the Group, such that the Group obtains benefits from those activities;
- the Group has the decision-making and management powers to obtain the majority of the benefits of the ordinary activities of the SPE (for example, by the power to dissolve the SPE, to amend its bylaws, or to exercise a formal veto over amendments to its bylaws);
- the Group has the ability to obtain the majority of the benefits of the SPE, and therefore may be exposed to risks incident to the activities of the SPE. These benefits may be in the form of rights to some or all of the SPE's earnings (calculated on an annual basis), to a share of its net assets, to benefit from one or more assets, or to receive the majority of the residual assets in the event of liquidation;
- the Group retains the majority of the risks taken by the SPE in order to obtain benefits from its activities. This would apply, for example, if the Group remains exposed to the initial losses on a portfolio of assets held by the SPE.

1.b.2 CONSOLIDATION METHODS

Enterprises under the exclusive control of the Group are fully consolidated. The Group has exclusive control over an enterprise where it is in a position to govern the financial and operating policies of the enterprise so as to obtain benefits from its activities. Exclusive control is presumed to exist when the BNP Paribas Group owns, directly or indirectly, more than half of the voting rights of an enterprise. It also exists when the Group has the power to govern the financial and operating policies of the enterprise under an agreement; to appoint or remove the majority of the members of the Board of Directors or equivalent governing body; or to cast the majority of votes at meetings of the Board of Directors or equivalent governing body.

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

Jointly-controlled companies are consolidated using the proportional method. The Group exercises joint control when, under a contractual arrangement, strategic financial and operating decisions require the unanimous consent of the parties that share control.

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

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

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

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

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

Transactions resulting in a loss of control completed prior to 1 January 2010 gave rise to the recognition of a gain or loss equal to the difference between the sale price and the Group's share in the underlying equity. For transactions completed after 1 January 2010, the revised IAS 27 required any equity interest retained by the Group to be remeasured at its fair value through profit or loss.

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

1.b.3 CONSOLIDATION PROCEDURES

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

- **Elimination of intragroup balances and transactions**

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

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

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

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

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

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

On liquidation or disposal of some or all of an interest held in a foreign enterprise located outside the euro zone, leading to a change in the nature of the investment (loss of control, significant influence or joint control), the cumulative translation adjustment determined according to the step method, recorded in equity at the date of the liquidation or sale is recognised in the profit and loss account.

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

1.b.4 BUSINESS COMBINATIONS AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

- **Measurement of goodwill**

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

- Cash-generating units

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

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit and its value in use.

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

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

(2) As defined by IAS 36.

1.c FINANCIAL ASSETS AND FINANCIAL LIABILITIES

1.c.1 LOANS AND RECEIVABLES

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

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

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

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

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

1.c.2 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

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

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

1.c.3 SECURITIES

- **Categories of securities**

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

- Financial assets at fair value through profit or loss

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

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

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

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

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

- Loans and receivables

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

- Held-to-maturity financial assets

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

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

- Available-for-sale financial assets

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

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

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

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

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

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

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

- **Date of recognition for securities transactions**

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

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

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

1.c.4 FOREIGN CURRENCY TRANSACTIONS

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

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

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

- Non-monetary assets and liabilities expressed in foreign currencies

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

1.c.5 IMPAIRMENT AND RESTRUCTURING OF FINANCIAL ASSETS

- **Doubtful assets**

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

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

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

(3) Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

to financing and guarantee commitments given by the Group, with the probability of drawdown taken into account in any assessment of financing commitments.

At an individual level, objective evidence that a financial asset is impaired includes observable data regarding the following events:

- the existence of accounts that are more than three months past due (six months past due for real estate loans and loans to local authorities);
- knowledge or indications that the borrower meets significant financial difficulty, such that a risk can be considered to have arisen regardless of whether the borrower has missed any payments;
- concessions with respect to the credit terms granted to the borrower that the lender would not have considered had the borrower not been meeting financial difficulty (see section “Restructuring of assets classified as "Loans and receivables"”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.c.6 RECLASSIFICATION OF FINANCIAL ASSETS

The only authorised reclassifications of financial assets are the following:

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

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

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

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

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

1.c.7 ISSUES OF DEBT SECURITIES

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

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

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

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

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

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

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

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

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

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

1.c.9 DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

- **Derivatives held for trading purposes**

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

- **Derivatives and hedge accounting**

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

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

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

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

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

For highly probable forecast transactions, effectiveness is assessed largely on the basis of historical data for similar transactions.

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

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

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

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

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

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

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

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

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

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

- **Embedded derivatives**

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

1.c.10 DETERMINATION OF FAIR VALUE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.c.13 COST OF RISK

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

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

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

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

1.c.15 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

1.d ACCOUNTING STANDARDS SPECIFIC TO INSURANCE BUSINESS

The specific accounting policies relating to assets and liabilities generated by insurance contracts and financial contracts with a discretionary participation feature written by fully consolidated insurance companies are retained for the purposes of the consolidated financial statements. These policies comply with IFRS 4.

All other insurance company assets and liabilities are accounted for using the policies applied to the Group's assets and liabilities generally, and are included in the relevant balance sheet and profit and loss account headings in the consolidated financial statements.

1.d.1 ASSETS

Financial assets and non-current assets are accounted for using the policies described elsewhere in this note. The only exceptions are shares in civil property companies (SCIs) held in unit-linked insurance contract portfolios, which are measured at fair value on the balance sheet date with changes in fair value taken to profit or loss.

Financial assets representing technical provisions related to unit-linked business are shown in "Financial assets at fair value through profit or loss", and are stated at the realisable value of the underlying assets at the balance sheet date.

1.d.2 LIABILITIES

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

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

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

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

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

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

The adequacy of technical reserves is tested at the balance sheet date by comparing them with the average value of future cash flows as derived from stochastic analyses. Any adjustments to technical reserves are taken to the profit and loss account for the period. A capitalisation reserve is set up in individual statutory accounts on the sale of amortisable securities in order to defer part of the net realised gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, the bulk of this reserve is reclassified to “Policyholders’ surplus” on the liabilities side of the consolidated balance sheet; a deferred tax liability is recognised on the portion taken to shareholders' equity.

This item also includes the policyholders’ surplus reserve resulting from the application of shadow accounting. This represents the interest of policyholders, mainly within French life insurance subsidiaries, in unrealised gains and losses on assets where the benefit paid under the policy is linked to the return on those assets. This interest is an average derived from stochastic analyses of unrealised gains and losses attributable to policyholders in various scenarios.

In the event of an unrealised loss on shadow accounted assets, a policyholders' loss reserve is recognised on the assets side of the consolidated balance sheet in an amount equal to the probable deduction from the policyholders' future profit share. The recoverability of the policyholders' loss reserve is assessed prospectively, taking into account policyholders' surplus reserves recognised elsewhere, capital gains on financial assets that are not shadow accounted due to accounting elections made (held-to-maturity financial assets and property investments measured at cost) and the company's ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

1.d.3 PROFIT AND LOSS ACCOUNT

Income and expenses arising on insurance contracts written by the Group are recognised in the profit and loss account under “Income from other activities” and “Expenses on other activities”.

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

1.e PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.f LEASES

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

1.f.1 LESSOR ACCOUNTING

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

- **Finance leases**

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

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

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

- **Operating leases**

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

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

1.f.2 LESSEE ACCOUNTING

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

- **Finance leases**

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

- **Operating leases**

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

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

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

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

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

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

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

1.h EMPLOYEE BENEFITS

Employee benefits are classified in one of four categories:

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

- **Short-term benefits**

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

- **Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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

1.i SHARE-BASED PAYMENTS

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

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

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

- **Stock option and share award plans**

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

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

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

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

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

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

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

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

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

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

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

1.j PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.k CURRENT AND DEFERRED TAXES

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

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

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

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

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

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

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

Current and deferred taxes are recognised as tax income or expenses in the profit and loss account, excepted for deferred taxes relating to unrealised gains or losses on available-for-sale assets or to changes in the fair value of instruments designated as cash flow hedges, which are taken to shareholders' equity.

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

1.l CASH FLOW STATEMENT

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

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

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

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

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

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

This applies in particular to:

- impairment losses recognised to cover credit risks inherent in banking intermediation activities;
- the use of internally-developed models to measure positions in financial instruments that are not quoted in active markets;
- calculations of the fair value of unquoted financial instruments classified in "Available-for-sale financial assets", "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss", and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- whether a market is active or inactive for the purposes of using a valuation technique;
- impairment losses on variable-income financial assets classified as "Available-for-sale";
- impairment tests performed on intangible assets;

- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- estimates of the residual value of assets leased under finance leases or operating leases, and more generally of assets on which depreciation is charged net of their estimated residual value;
- the measurement of provisions for contingencies and charges.

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

2. RETROSPECTIVE IMPACT OF THE AMENDMENT TO IAS 19

As of 1 January 2013, the Group has applied the amendment to IAS 19 “Employee Benefits” adopted in June 2012 by the European Union: the retirement benefit liability is recognised in the Group's balance sheet taking into account actuarial gains or losses which had not been recognised or amortised. As this amendment has a retrospective effect, the comparative financial statements as at 1 January and 31 December 2012 have been restated.

- **Balance sheet**

This table presents the balance sheet items which have been adjusted according to the amendment to IAS 19.

In millions of euros	31 December 2011 before amendment to IAS 19	adjustments	1 January 2012 restated	31 December 2012 before amendment to IAS 19	adjustments	31 December 2012 restated
ASSETS						
Current and deferred tax assets	11,570	106	11,676	8,661	71	8,732
Accrued income and other assets	93,540	(157)	93,383	99,359	(152)	99,207
Investments in associates	4,474	(4)	4,470	7,040	(9)	7,031
Total impact on assets		**(55)**			**(90)**	
LIABILITIES						
Current and deferred tax liabilities	3,489	(14)	3,475	3,046	(103)	2,943
Provisions for contingencies and charges	10,480	255	10,735	10,962	418	11,380
Total impact on liabilities		**241**			**315**	
CONSOLIDATED EQUITY						
Capital and retained earnings	*76,764*	*(354)*	*76,410*	*82,655*	*(437)*	*82,218*
Changes in assets and liabilities recognised direclty in equity	*(1,394)*		*(1,394)*	*3,231*	*(5)*	*3,226*
Attributable to equity shareholders	**75,370**	**(354)**	**75,016**	**85,886**	**(442)**	**85,444**
Capital and retained earnings	*10,737*	*58*	*10,795*	*8,124*	*37*	*8,161*
Changes in assets and liabilities recognised direclty in equity	*(481)*		*(481)*	*412*		*412*
Attributable to minority interests	**10,256**	**58**	**10,314**	**8,536**	**37**	**8,573**
Total impact on consolidated equity		**(296)**			**(405)**	

Adjustments are analysed as follows :

	1 January 2012			31 December 2012		
In millions of euros	Impact of the amendment to IAS 19	*of which past service costs*	*of which actuarial gains and losses*	Impact of the amendment to IAS 19	*of which past service costs*	*of which actuarial gains and losses*
Costs not yet recognised (before tax)	**(412)**	**(163)**	**(249)**	**(570)**	**(153)**	**(417)**
of which accrued income and other assets	*(157)*			*(152)*		
of which provisions for contingencies and charges	*(255)*			*(418)*		
Deferred tax	**120**	**57**	**63**	**174**	**54**	**120**
of which deferred tax assets	*106*			*71*		
of which deferred tax liabilities	*14*			*103*		
Impact of associates	**(4)**		**(4)**	**(9)**		**(9)**
Exchange rates					**(2)**	**2**
Retrospective impact of the amendment to IAS 19	**(296)**	**(106)**	**(190)**	**(405)**	**(101)**	**(304)**

- **Profit and loss account and changes in assets and liabilities recognised directly in equity**

This table presents the profit and loss account items that have been adjusted for the year ended 31 December 2012, according to the amendment to IAS 19:

In millions of euros	Year to 31 Dec. 2012 before amendment to IAS 19	adjustments	Year to 31 Dec. 2012 restated
Salary and employee benefit expense	(15,255)	7	(15,248)
Corporate income tax	(3,059)	(2)	(3,061)
Total impact on net income		**5**	
Net income attributable to equity shareholders		*11*	
Net income attributable to minority interests		*(6)*	

In addition, due to the amendment to IAS 19, the following impacts have been reported in the changes in assets and liabilities recognised directly in equity for the year ended 31 December 2012:

- items that will not be reclassified to profit or loss, which amounted to EUR -110 million,
- adjustment of EUR -5 million in items related to exchange rate movements.

3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

3.a NET INTEREST INCOME

The BNP Paribas Group includes in "Interest income" and "Interest expense" all income and expense from financial instruments measured at amortised cost (interest, fees/commissions, transaction costs), and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. These amounts are calculated using the effective interest method. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Net gain/loss on financial instruments at fair value through profit or loss".

Interest income and expense on derivatives accounted for as fair value hedges are reported with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

	Year to 31 Dec. 2013			Year to 31 Dec. 2012		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Customer items	**25,010**	**(7,928)**	**17,082**	**29,093**	**(9,375)**	**19,718**
Deposits, loans and borrowings	23,725	(7,832)	15,893	27,622	(9,246)	18,376
Repurchase agreements	20	(33)	(13)	21	(79)	(58)
Finance leases	1,265	(63)	1,202	1,450	(50)	1,400
Interbank items	**1,629**	**(1,929)**	**(300)**	**1,719**	**(2,562)**	**(843)**
Deposits, loans and borrowings	1,523	(1,835)	(312)	1,645	(2,281)	(636)
Repurchase agreements	106	(94)	12	74	(281)	(207)
Debt securities issued		**(2,232)**	**(2,232)**		**(3,445)**	**(3,445)**
Cash flow hedge instruments	**2,296**	**(1,961)**	**335**	**2,849**	**(2,477)**	**372**
Interest rate portfolio hedge instruments	**2,308**	**(3,152)**	**(844)**	**2,146**	**(3,577)**	**(1,431)**
Financial instruments at fair value through profit or loss	**1,829**	**(1,157)**	**672**	**2,293**	**(1,295)**	**998**
Fixed-income securities	1,221		1,221	1,438		1,438
Loans / borrowings	222	(349)	(127)	207	(360)	(153)
Repurchase agreements	386	(595)	(209)	648	(814)	(166)
Debt securities		(213)	(213)		(121)	(121)
Available-for-sale financial assets	**5,426**		**5,426**	**5,889**		**5,889**
Held-to-maturity financial assets	**457**		**457**	**487**		**487**
Total interest income/(expense)	**38,955**	**(18,359)**	**20,596**	**44,476**	**(22,731)**	**21,745**

Interest income on individually impaired loans amounted to EUR 520 million in the year ended 31 December 2013 compared with EUR 610 million in the year ended 31 December 2012.

3.b COMMISSION INCOME AND EXPENSE

Commission income and expense on financial instruments not measured at fair value through profit or loss amounted to EUR 3,179 million and EUR 430 million respectively in 2013, compared with income of EUR 3,258 million and expense of EUR 601 million in 2012.

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 2,213 million in 2013, compared with EUR 2,298 million in 2012.

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

Net gain on financial instruments at fair value through profit or loss includes all profit and loss items 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 3.a).

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Trading book	**4,743**	**6,114**
Interest rate instruments	1,070	2,066
Equity financial instruments	3,497	3,132
Foreign exchange financial instruments	(592)	609
Other derivatives	701	307
Repurchase agreements	67	-
Financial instruments designated as at fair value through profit or loss	**(86)**	**(2,818)**
of which debt remeasurement effect arising from BNP Paribas Group issuer risk (note 5.d)	*(435)*	*(1,617)*
Impact of hedge accounting	**(76)**	**16**
Fair value hedging derivatives	879	258
Hedged items in fair value hedge	(955)	(242)
Total	**4,581**	**3,312**

Net gains on the trading book in 2013 and 2012 include a non-material amount related to the ineffective portion of cash flow hedges.

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

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Loans and receivables, fixed-income securities [1]	**439**	**839**
Disposal gains and losses	439	839
Equities and other variable-income securities	**1,226**	**785**
Dividend income	569	515
Additions to impairment provisions	(261)	(465)
Net disposal gains	918	735
Total	**1,665**	**1,624**

[1] Interest income from fixed-income financial instruments is included in "Net interest income" (note 3.a), and impairment losses related to potential issuer default are included in "Cost of risk" (note 3.f).

After the impact of insurance policyholders' surplus reserve, unrealised gains and losses previously recorded under "Change in assets and liabilities recognised directly in shareholders' equity" and included in the pre-tax income, amount to a gain of EUR 838 million for the year ended 31 December 2013 compared with a net gain of EUR 445 million for the year ended 31 December 2012.

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

- EUR -23 million linked to a decline in price of more than 50% of the acquisition price (EUR -45 million in 2012),
- EUR -28 million linked to the observation of an unrealised loss over two consecutive years (EUR -8 million in 2012),
- EUR -1 million linked to the observation of an unrealised loss of at least an average of 30% over one year (EUR -11 million in 2012),
- EUR -14 million linked to an additional qualitative analysis (EUR -54 million in 2012).

3.e NET INCOME FROM OTHER ACTIVITIES

In millions of euros	Year to 31 Dec. 2013			Year to 31 Dec. 2012		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities	26,120	(22,670)	3,450	24,715	(21,460)	3,255
Net income from investment property	104	(56)	48	375	(178)	197
Net income from assets held under operating leases	5,470	(4,416)	1,054	5,871	(4,844)	1,027
Net income from property development activities	1,422	(1,236)	186	1,214	(1,006)	208
Other net income	1,234	(1,170)	64	1,545	(1,373)	172
Total net income from other activities	**34,350**	**(29,548)**	**4,802**	**33,720**	**(28,861)**	**4,859**

- **Net income from insurance activities**

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Gross premiums written	21,811	19,813
Policy benefit expenses	(15,532)	(15,267)
Changes in technical reserves	(5,232)	(4,246)
Change in value of admissible investments related to unit-linked policies	2,768	3,361
Reinsurance ceded	(375)	(519)
Other income and expense	10	113
Total net income from insurance activities	**3,450**	**3,255**

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

3.f COST OF RISK

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

- **Cost of risk for the period**

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Net allowances to impairment	(4,194)	(4,173)
Recoveries on loans and receivables previously written off	569	714
Irrecoverable loans and receivables not covered by impairment provisions	(429)	(482)
Total cost of risk for the period	**(4,054)**	**(3,941)**

Cost of risk for the period by asset type

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Loans and receivables due from credit institutions	(6)	6
Loans and receivables due from customers	(3,797)	(3,769)
Available-for-sale financial assets	(19)	(13)
Financial instruments of trading activities	(108)	(118)
Other assets	(33)	(8)
Off-balance sheet commitments and other items	(91)	(39)
Total cost of risk for the period	**(4,054)**	**(3,941)**

- **Credit risk impairment**

Movement in impairment during the period

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Total impairment at beginning of year	**28,417**	**30,675**
Net allowance to impairment	4,194	4,173
Impairment provisions used	(3,288)	(6,007)
Effect of exchange rate movements and other items	(1,020)	(424)
Total impairment at end of year	**28,303**	**28,417**

Impairment by asset type

In millions of euros	31 December 2013	31 December 2012
Impairment of assets		
Loans and receivables due from credit institutions (note 5.f)	392	537
Loans and receivables due from customers (note 5.g)	26,616	26,525
Financial instruments on trading activities	162	276
Available-for-sale financial assets (note 5.c)	84	69
Other assets	41	34
Total impairment of financial assets	**27,295**	**27,441**
of which specific impairment	*23,471*	*23,100*
of which collective provisions	*3,824*	*4,341*
Provisions recognised as liabilities		
Provisions for off-balance sheet commitments		
- to credit institutions	23	45
- to customers	468	451
Other specific provisions	517	480
Total provisions recognised for credit commitments (note 5.q)	**1,008**	**976**
of which specific impairment for off-balance sheet commitments	*334*	*327*
of which collective provisions	*157*	*169*
Total impairment and provisions	**28,303**	**28,417**

3.g PROVISION RELATED TO US DOLLAR PAYMENTS INVOLVING PARTIES SUBJECT TO US SANCTIONS

As noted in its financial statements in recent years, following discussions with the U.S. Department of Justice and the New York County District Attorney's Office, among other U.S. regulators and law enforcement and other governmental authorities, the Bank conducted over several years an internal, retrospective review of certain U.S. dollar payments involving countries, persons and entities that could have been subject to economic sanctions under U.S. law in order to determine whether the Bank had, in the conduct of its business, complied with such laws.

The review identified a significant volume of transactions that, even though they were not prohibited by the laws of the countries of the Bank entities that initiated them, could be considered impermissible under U.S. laws and regulations including, in particular, those of the Office of Foreign Assets Control (OFAC).

The Bank has presented the findings of this review to the U.S. authorities and commenced subsequent discussions with them. Although the amount of financial consequences, fines or penalties cannot be determined at this stage, the Bank has, in accordance with IFRS requirements, recorded a provision of USD 1.1 billion (EUR 0.8 billion) in its financial statements for the fourth quarter of 2013. There have been no discussions with the U.S. authorities about the amount of any fines or penalties and the U.S. authorities have not approved or passed upon the adequacy or reasonableness of such provision. There therefore remains considerable uncertainty as to the actual amount of fines or penalties that the U.S. authorities could impose on the Bank following completion of the ongoing process, the timing of which is uncertain. The actual amount could thus be different, possibly very different, from the amount of the provision.

Given its exceptional nature and significant amount, in accordance with IFRS this provision has been set out as a specific line item in the income statement within operating income.

3.h CORPORATE INCOME TAX

Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France (1)	Year to 31 Dec. 2013		Year to 31 Dec. 2012 (3)	
	in millions of euros	tax rate	in millions of euros	tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France (2)	**(3,084)**	**38.0%**	**(3,747)**	**36.1%**
Impact of differently taxed foreign profits	336	-4.1%	216	-2.1%
Impact of dividends and securities disposals taxed at reduced rate	308	-3.8%	337	-3.3%
Tax impact on previously unrecognized deferred taxes (tax losses and temporary differences)	14	-0.2%	163	-1.6%
Tax impact of using tax losses for which no deferred tax asset was previously recognised	32	-0.4%	9	-0.1%
Impact of the non-deduction of the provision related to US dollar payments involving parties subject to US sanctions	(303)	3.7%	-	-
Other items	(53)	0.7%	(39)	0.5%
Corporate income tax expense	**(2,750)**	**33.9%**	**(3,061)**	**29.5%**
of which				
Current tax expense for the year to 31 December	*(2,494)*		*(2,696)*	
Deferred tax expense for the year to 31 December (note 5.k)	*(256)*		*(365)*	

(1) including the 3.3% social security contribution tax and the exceptional 10.7% contribution calculated on French corporate tax at 33.33%, lifting it to 38%. This exceptional contribution reached 5% in 2012, thus lifting the 2012 rate to 36.10%

(2) Restated for the share of profits in associates and goodwill impairment.

(3) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

4. SEGMENT INFORMATION

The Group is composed of three core businesses:

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

Other activities mainly include Principal Investments, Klépierre [4] property investment company, activities related to the Group's central treasury function, and some costs related to cross-business projects.

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

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

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

So as to be comparable with 2013, the segment information for 2012 has been restated of the following three main effects as if these had occurred from 1 January 2012:

1. The increases in taxes and social security contributions arising from French legislation adopted in 2012 – systemic tax (EUR -122 million), corporate social contribution ("*forfait social*") (EUR -33 million) and tax on wages (EUR -19 million) – had temporarily been allocated to the Corporate Centre's operating expenses. They have now been allocated between the divisions and business lines.
2. The USD 2.2 billion capital increase made by BancWest in 2012, by converting an intra-group liability, had the effect of reducing 2012 revenues by EUR -51 million. This amount corresponds to the additional cost of capital compared with the previous funding structure, based on Group standards for calculating business line income on a normative capital basis. The impact had temporarily been allocated to the Corporate Centre.

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

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

3. As indicated in notes 1.a and 2, the amendment to IAS 19 "Employee Benefits" had the effect of increasing the Group's 2012 pre-tax income by EUR 7 million. This adjustment has been re-allocated to the relevant core business and business line operating expenses.

- **Income by business segment**

In millions of euros	Year to 31 Dec. 2013							Year to 31 Dec. 2012					
	Revenues	Operating expense	Cost of risk	Exceptional provision(2)	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expense	Cost of risk	Operating income	Non-operating items	Pre-tax income
Retail Banking													
Domestic Markets													
French Retail Banking (1)	6,726	(4,390)	(342)	-	1,994	4	1,998	6,797	(4,424)	(315)	2,058	3	2,061
BNL banca commerciale (1)	3,208	(1,748)	(1,204)	-	256	-	256	3,230	(1,793)	(961)	476	1	477
Belgian Retail Banking (1)	3,202	(2,364)	(142)	-	696	1	697	3,183	(2,371)	(157)	655	18	673
Other Domestic Markets activities	2,232	(1,311)	(184)	-	737	31	768	2,181	(1,276)	(140)	765	16	781
Personal Finance	4,732	(2,182)	(1,430)	-	1,120	53	1,173	4,982	(2,400)	(1,497)	1,085	182	1,267
International Retail Banking													
Europe-Mediterranean	1,767	(1,287)	(224)	-	256	209	465	1,796	(1,319)	(290)	187	67	254
BancWest	2,204	(1,386)	(54)	-	764	6	770	2,352	(1,395)	(145)	812	2	814
Investment Solutions	6,344	(4,367)	(2)	-	1,975	129	2,104	6,204	(4,328)	54	1,930	159	2,089
Corporate and Investment Banking													
Advisory & Capital Markets	5,389	(4,232)	(78)	-	1,079	13	1,092	6,182	(4,587)	(61)	1,534	6	1,540
Corporate Banking	3,273	(1,743)	(437)	-	1,093	20	1,113	3,533	(1,722)	(432)	1,379	30	1,409
Other Activities	(255)	(1,128)	43	(798)	(2,138)	(109)	(2,247)	(1,368)	(928)	3	(2,293)	1,307	(986)
Total Group	38,822	(26,138)	(4,054)	(798)	7,832	357	8,189	39,072	(26,543)	(3,941)	8,588	1,791	10,379

(1) French Retail Banking, BNL banca commerciale, Belgian and Luxembourg Retail Banking after the reallocation within Investment Solutions of one-third of the Wealth Management activities in France, Italy, Belgium and Luxembourg.
(2) Provision related to US dollar payments involving parties subject to US sanctions.

- **Assets and liabilities by business segment**

For most Group entities, the segment allocation of assets and liabilities is based on the core business to which they report, with the exception of the key entities, which are broken down or allocated specifically on the basis of risk-weighted assets.

In millions of euros	31 December 2013		31 December 2012	
	Asset	Liability	Asset	Liability
Retail Banking				
Domestic Markets	**362,894**	**340,706**	**393,252**	**369,626**
French Retail Banking	147,005	139,678	151,836	144,280
BNL banca commerciale	81,993	74,607	88,471	80,555
Belgian Retail Banking	84,009	80,549	103,207	99,411
Other Domestic Markets activities	49,887	45,872	49,738	45,380
Personal Finance	**83,620**	**76,889**	**85,721**	**78,732**
International Retail Banking	**96,758**	**85,188**	**93,575**	**81,760**
Europe-Mediterranean	36,710	32,936	33,488	29,619
BancWest	60,048	52,252	60,087	52,141
Investment Solutions	**220,562**	**210,823**	**202,119**	**192,146**
Corporate and Investment Banking	**939,307**	**924,478**	**1,029,675**	**1,013,742**
Other Activities	**96,998**	**162,055**	**102,858**	**171,194**
Total Group	**1,800,139**	**1,800,139**	**1,907,200**	**1,907,200**

Information by business segment relating to companies accounted for under the equity method and goodwill impairment during 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, adjusted as per the managerial origin of the business activity. It does not necessarily reflect the counterparty's nationality or the location of operational businesses. So as to be comparable with the year ended 2013, the revenue breakdown for the year ended 31 December 2012 has been restated.

- Revenues by geographic area

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Europe	29,881	29,811
North America	3,852	4,440
APAC	2,645	2,133
Others	2,444	2,688
Total Group	**38,822**	**39,072**

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

In millions of euros	31 December 2013	31 December 2012
Europe	1,409,397	1,580,989
North America	217,158	188,478
APAC	120,611	92,303
Others	52,973	45,430
Total Group	**1,800,139**	**1,907,200**

5. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2013

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 issuance.

	31 December 2013		31 December 2012	
In millions of euros	Trading book	Instruments designated as at fair value through profit or loss	Trading book	Instruments designated as at fair value through profit or loss
Securities portfolio	157,740	67,190	143,465	62,701
Loans and repurchase agreements	145,308	40	146,899	99
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**303,048**	**67,230**	**290,364**	**62,800**
Securities portfolio	69,803		52,432	
Borrowings and repurchase agreements	195,934	1,373	203,063	1,242
Debt securities (note 5.i)		42,343		40,799
Subordinated debt (note 5.i)		1,613		1,489
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**265,737**	**45,329**	**255,495**	**43,530**

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

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 mainly include admissible investments related to unit-linked insurance policies, and to a lesser extent, assets with embedded derivatives that have not been separated from the host contract.

Admissible investments related to unit-linked insurance policies include securities issued by the Group's consolidated entities, which are not eliminated upon consolidation in order to keep the figures shown in respect of the assets invested under these contracts at the same level as the technical reserves set aside in respect of the corresponding policyholder liabilities. The fixed-income securities (certificates and Euro Medium Term Notes) not eliminated upon consolidation amounted to EUR 841 million at 31 December 2013 compared with EUR 741 million at 31 December 2012, and variable-income securities (shares mainly issued by BNP Paribas SA) came to EUR 37 million at 31 December 2013 compared with EUR 28 million at 31 December 2012. 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 debt securities in issue, originated and structured on behalf of customers, where the risk exposure is managed in combination with the hedging strategy. These types of debt securities in issue contain significant embedded derivatives, whose changes in value are cancelled out by changes in the value of economic hedging derivatives.

The redemption value of financial liabilities designated at fair value through profit or loss at 31 December 2013 was EUR 45,522 million (EUR 44,956 million at 31 December 2012).

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

	31 December 2013		31 December 2012	
In millions of euros	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	216,777	202,544	333,066	324,079
Foreign exchange derivatives	32,328	36,357	21,532	24,697
Credit derivatives	18,494	18,167	22,782	22,523
Equity derivatives	30,504	36,857	29,682	29,467
Other derivatives	3,306	3,156	3,573	3,832
Derivative financial instruments	**301,409**	**297,081**	**410,635**	**404,598**

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 2013	31 December 2012
Interest rate derivatives	34,962,462	41,127,475
Foreign exchange derivatives	2,576,863	2,243,150
Credit derivatives	1,925,896	2,105,501
Equity derivatives	1,768,054	1,865,666
Other derivatives	133,446	144,834
Derivative financial instruments	**41,366,721**	**47,486,626**

Derivatives traded on organised markets (including clearing houses) represent 60% of the Group's derivative transactions at 31 December 2013 (62% at 31 December 2012).

5.b DERIVATIVES USED FOR HEDGING PURPOSES

The table below shows the fair value of derivatives used for hedging purposes.

In millions of euros	31 December 2013		31 December 2012	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges	**6,077**	**10,661**	**10,571**	**15,574**
Interest rate derivatives	6,077	10,649	10,570	15,550
Foreign exchange derivatives	-	12	-	24
Other derivatives	-	-	1	-
Cash flow hedges	**2,296**	**1,617**	**3,674**	**1,685**
Interest rate derivatives	2,117	1,521	3,389	1,298
Foreign exchange derivatives	97	96	271	287
Other derivatives	82	-	14	100
Net foreign investment hedges	**53**	**11**	**22**	**27**
Foreign exchange derivatives	53	11	22	27
Derivatives used for hedging purposes	**8,426**	**12,289**	**14,267**	**17,286**

The total notional amount of derivatives used for hedging purposes stood at EUR 794,813 million at 31 December 2013, compared with EUR 809,636 million at 31 December 2012.

5.c AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	31 December 2013			31 December 2012		
	Net	of which impairment	of which changes in value taken directly to equity	Net	of which impairment	of which changes in value taken directly to equity
Fixed-income securities	**186,131**	**(84)**	**6,133**	**175,413**	**(69)**	**6,414**
Treasury bills and government bonds	102,551	(3)	2,417	93,801	(4)	1,886
Other fixed-income securities	83,580	(81)	3,716	81,612	(65)	4,528
Equities and other variable-income securities	**17,282**	**(3,593)**	**4,088**	**17,093**	**(4,265)**	**2,868**
of which listed securities	5,976	(1,329)	2,065	5,861	(1,821)	1,357
of which unlisted securities	11,306	(2,264)	2,023	11,232	(2,444)	1,511
Total available-for-sale financial assets	**203,413**	**(3,677)**	**10,221**	**192,506**	**(4,334)**	**9,282**

The gross amount of impaired fixed-income securities is EUR 136 million at 31 December 2013 (EUR 118 million at 31 December 2012).

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

In millions of euros	31 December 2013			31 December 2012		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Changes in value of non-hedged securities recognised in "Available-for-sale financial assets"	**6,133**	**4,088**	**10,221**	**6,414**	**2,868**	**9,282**
Deferred tax linked to these changes in value	(2,009)	(881)	(2,890)	(2,162)	(556)	(2,718)
Insurance policyholders' surplus reserve from insurance entities, after deferred tax	(3,529)	(1,045)	(4,574)	(3,854)	(558)	(4,412)
Group share of changes in value of available-for-sale securities owned by associates, after deferred tax and insurance policyholders' surplus reserve	352	79	431	504	94	598
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(116)		(116)	(172)		(172)
Other variations	(40)	36	(4)	(33)	25	(8)
Changes in value of assets taken directly to equity under the heading "Financial assets available for sale and reclassified as loans and receivables"	**791**	**2,275**	**3,066**	**697**	**1,873**	**2,570**
Attributable to equity shareholders	746	2,264	3,010	340	1,809	2,149
Attributable to minority interests	45	11	56	357	64	421

5.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

VALUATION PROCESS

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

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

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

Additional valuation adjustments take into account valuation uncertainty and include market and credit risk premiums to reflect costs that could be incurred upon transacting in the principal market. These valuation adjustments are added to the mid-market value in order to obtain the economic value. Funding assumptions are an integral part of the mid-market valuation through the use of the appropriate discount rate. This notably takes into account the existence and terms of any collateral agreement and the effective funding conditions of the instrument.

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

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

ADDITIONAL VALUATION ADJUSTMENTS

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

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

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

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

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

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

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

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

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

Thus, the carrying value of liabilities designated as at fair value though profit or loss is increased by EUR 405 million as at 31 December 2013, compared with a reduction in value of EUR 30 million as at 31 December 2012, i.e. a EUR -435 million variation recognised in net gain on financial instruments at fair value through profit or loss (note 3.c).

Similarly, the fair value of derivative instruments on the liabilities side of the balance sheet is reduced by EUR 364 million as at 31 December 2013, and this adjustment is recognised in the same profit or loss line item.

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

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

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

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

In millions of euros	31 December 2013											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**125,907**	**28,175**	**3,658**	**157,740**	**52,440**	**11,891**	**2,859**	**67,190**	**145,254**	**50,469**	**7,690**	**203,413**
Treasury bills and government bonds	53,075	7,660		60,735	334	4		338	97,227	5,324		102,551
Asset Backed Securities (ABS) [(1)]	-	8,484	3,076	11,560	-	-	-	-	-	2,632	292	2,924
CDOs / CLOs [(2)]		*246*	*3,061*	*3,307*				-				-
Other Asset Backed Securities		*8,238*	*15*	*8,253*				-		*2,632*	*292*	*2,924*
Other fixed-income securities	12,119	10,798	217	23,134	1,775	5,399	29	7,203	38,741	40,876	1,039	80,656
Equities and other variable-income securities	60,713	1,233	365	62,311	50,331	6,488	2,830	59,649	9,286	1,637	6,359	17,282
Loans and repurchase agreements	**-**	**140,602**	**4,706**	**145,308**	**-**	**40**	**-**	**40**				
Loans		445		445		40		40				
Repurchase agreements		140,157	4,706	144,863				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**125,907**	**168,777**	**8,364**	**303,048**	**52,440**	**11,931**	**2,859**	**67,230**	**145,254**	**50,469**	**7,690**	**203,413**
Securities portfolio	**66,631**	**3,172**	**-**	**69,803**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	55,128	159		55,287				-				
Other fixed-income securities	5,634	2,965		8,599				-				
Equities and other variable-income securities	5,869	48		5,917				-				
Borrowings and repurchase agreements	**-**	**186,797**	**9,137**	**195,934**	**-**	**1,373**	**-**	**1,373**				
Borrowings		3,755	3	3,758		1,373		1,373				
Repurchase agreements		183,042	9,134	192,176				-				
Debt securities (note 5.i)	**-**	**-**	**-**	**-**	**2,610**	**29,620**	**10,113**	**42,343**				
Subordinated debt (note 5.i)	**-**	**-**	**-**	**-**	**-**	**1,603**	**10**	**1,613**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**66,631**	**189,969**	**9,137**	**265,737**	**2,610**	**32,596**	**10,123**	**45,329**				

In millions of euros	31 December 2012											
	Trading book				Instruments designated as at fair value through profit or loss				Available-for-sale financial assets			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities portfolio	**105,563**	**33,716**	**4,186**	**143,465**	**47,783**	**10,869**	**4,049**	**62,701**	**125,010**	**57,549**	**9,947**	**192,506**
Treasury bills and government bonds	51,260	7,497	73	58,830	324	16		340	87,921	5,817	63	93,801
Asset Backed Securities (ABS) [(1)]	48	10,570	3,260	13,878	-	-	-	-	-	2,645	418	3,063
CDOs / CLOs [(2)]		*47*	*3,189*	*3,236*				-				-
Other Asset Backed Securities	*48*	*10,523*	*71*	*10,642*				-		*2,645*	*418*	*3,063*
Other fixed-income securities	6,548	14,730	698	21,976	1,493	4,839	77	6,409	28,771	48,339	1,439	78,549
Equities and other variable-income securities	47,707	919	155	48,781	45,966	6,014	3,972	55,952	8,318	748	8,027	17,093
Loans and repurchase agreements	**-**	**144,603**	**2,296**	**146,899**	**-**	**99**	**-**	**99**				
Loans		1,150		1,150		99		99				
Repurchase agreements		143,453	2,296	145,749				-				
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS	**105,563**	**178,319**	**6,482**	**290,364**	**47,783**	**10,968**	**4,049**	**62,800**	**125,010**	**57,549**	**9,947**	**192,506**
Securities portfolio	**43,527**	**8,868**	**37**	**52,432**	**-**	**-**	**-**	**-**				
Treasury bills and government bonds	38,547	1,105		39,652				-				
Other fixed-income securities	1,977	7,677	32	9,686				-				
Equities and other variable-income securities	3,003	86	5	3,094				-				
Borrowings and repurchase agreements	**-**	**194,242**	**8,821**	**203,063**		**1,242**		**1,242**				
Borrowings		4,016		4,016		1,242		1,242				
Repurchase agreements		190,226	8,821	199,047				-				
Debt securities (note 5.i)	**-**	**-**	**-**	**-**	**3,138**	**29,121**	**8,540**	**40,799**				
Subordinated debt (note 5.i)	**-**	**-**	**-**	**-**	**65**	**1,410**	**14**	**1,489**				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**43,527**	**203,110**	**8,858**	**255,495**	**3,203**	**31,773**	**8,554**	**43,530**				

(1) These amounts do not represent the total amount of securitisation assets held by BNP Paribas, particularly those classified at inception as “Loans and Receivables”, and those reclassified as presented in note 5.e.
(2) Collateralised Debt Obligations / Collateralised Loan Obligations

In millions of euros	31 December 2013							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	185	212,951	3,641	216,777	258	198,938	3,348	202,544
Foreign exchange derivatives		32,328		32,328	13	36,344		36,357
Credit derivatives		17,236	1,258	18,494		16,573	1,593	18,166
Equity derivatives	2,349	27,213	942	30,504	1,612	32,565	2,680	36,857
Other derivatives	148	3,126	32	3,306	169	2,957	31	3,157
Derivative financial instruments not used for hedging purposes	**2,682**	**292,854**	**5,873**	**301,409**	**2,052**	**287,377**	**7,652**	**297,081**
Derivative financial instruments used for hedging purposes	**-**	**8,426**	**-**	**8,426**	**-**	**12,289**	**-**	**12,289**

In millions of euros	31 December 2012							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	299	327,589	5,178	333,066	350	318,454	5,275	324,079
Foreign exchange derivatives	11	21,521		21,532	56	24,641		24,697
Credit derivatives		21,475	1,307	22,782		21,112	1,411	22,523
Equity derivatives	2,914	26,142	626	29,682	1,304	26,564	1,599	29,467
Other derivatives	299	3,228	46	3,573	291	3,395	146	3,832
Derivative financial instruments not used for hedging purposes	**3,523**	**399,955**	**7,157**	**410,635**	**2,001**	**394,166**	**8,431**	**404,598**
Derivative financial instruments used for hedging purposes	**-**	**14,267**	**-**	**14,267**	**-**	**17,286**	**-**	**17,286**

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

In 2013, the improvement in the process of identifying the most liquid securities enabled EUR 8 billion of available-for-sale fixed-income securities to be reclassified from Level 2 to Level 1.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

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

Level 1

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

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, …) and shares of funds and UCITS, for which the net asset value is calculated on a daily basis.

Level 2

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

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

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

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

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

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

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

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

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

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

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

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

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

Derivatives

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk classes	Balance Sheet valuation		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Cash instruments	3,061		Collateralized Loan Obligations (CLO) CDOs of ABSs (RMBSs, Commercial Real Estate Loans, CMBSs)	Combination of liquidation approach and discounted future cash flow approach	Discount margin	26 bp to 1,500 bp (1)	194 bp (a)
					Constant payment rate (CLOs)	0 -10%	~ 10% (b)
					Cash / synthetic funding basis (€)	0 - 60 bp	not meaningful
Repurchase agreements	4,706	9,134	Long-term repo and reverse-repo agreements	Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying	Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs	7 bp - 61 bp	57 bp (c)
Interest rate derivatives	3,641	3,348	Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	25% - 53%	47% (c)
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	1% - 12%	(d)
					Volatility of the year on year inflation rate	0.4% - 2%	
			Forward Volatility products such as volatility swaps, mainly in euro	Interest rates option pricing model	Forward volatility of interest rates	0.3% - 0.9%	(d)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modeling Discounted cash flows	Constant prepayment rates	3% - 40%	13% (c)
Credit Derivatives	1,258	1,593	Collateralized Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	10% to 95%	(d)
					Inter-regions default cross correlation	70% - 90%	80%(a)
					Recovery rate variance for single name underlyings	0 - 25%	(d)
			N-to-default baskets	Credit default model	Default correlation	48% - 99%	70% (c)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10Y)	20 bp to 1,700 bp (2)	230 bp (a)
					Illiquid credit default spread curves (across main tenors)	7 bp to 3,800 bp (3)	266 bp (a)
Equity Derivatives	942	2,680	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	7% - 75%	27% (e)
					Unobservable equity correlation	26% - 97%	63% (a)

(1) The lower part of the range is relative to short dated securities, while the upper relates to US CDOs of ABSs, which are not significant to the balance sheet since their prices are close to zero. Removing these outliers, the discount margin would range from 43 bp to 358 bp.

(2) The upper part of the range relate to non material balance sheet and net risk position on South American sovereign issuers. Removing these outliers, the upper bound of this range would be 500 bp.

(3) The upper bound of the range relates to distressed names that represent an insignificant portion of the balance sheet on CDSs with illiquid underlying. Removing this portion, the upper bound of the range would be around 500 bp.

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

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

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

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

(e) Simple averaging

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

For Level 3 financial instruments, the following movements occurred between 1 January 2012 and 31 December 2013:

In millions of euros	Financial Assets				Financial Liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	Available-for-sale financial assets	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2011	**21,464**	**1,595**	**9,871**	**32,930**	**(26,288)**	**(7,616)**	**(33,904)**
Purchases	1,783	1,326	1,222	**4,331**			**-**
Issues				**-**	(8,279)	(3,565)	**(11,844)**
Sales	(1,952)	(1,193)	(1,725)	**(4,870)**			**-**
Settlements [(1)]	(2,546)	(94)	(177)	**(2,817)**	12,648	1,811	**14,459**
Transfers to level 3	1,098	2,959	940	**4,997**	(122)	(36)	**(158)**
Transfers from level 3	(593)	(588)	(669)	**(1,850)**	708	447	**1,155**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(7,391)	44	(75)	**(7,422)**	5,694	(28)	**5,666**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	1,598		41	**1,639**	(1,257)	433	**(824)**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	178		5	**183**	(393)		**(393)**
- Changes in fair value of assets and liabilities recognised in equity			514	**514**			**-**
At 31 December 2012	**13,639**	**4,049**	**9,947**	**27,635**	**(17,289)**	**(8,554)**	**(25,843)**
Purchases	5,145	2,382	975	**8,502**	-	-	**-**
Issues	-	-	-	**-**	(6,963)	(8,134)	**(15,097)**
Sales	(2,414)	(2,383)	(1,124)	**(5,921)**	-	-	**-**
Settlements [(1)]	(1,917)	(1,111)	(702)	**(3,730)**	6,563	6,595	**13,158**
Transfers to level 3	850	12	133	**995**	(462)	(554)	**(1,016)**
Transfers from level 3	(866)	(89)	(1,552)	**(2,507)**	628	153	**781**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	73	95	(171)	**(3)**	321	119	**440**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	30	(96)	-	**(66)**	113	213	**326**
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	(303)	-	(72)	**(375)**	300	39	**339**
- Changes in fair value of assets and liabilities recognised in equity	-	-	256	**256**	-	-	**-**
At 31 December 2013	**14,237**	**2,859**	**7,690**	**24,786**	**(16,789)**	**(10,123)**	**(26,912)**

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

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

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses 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.

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

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

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

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

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

For derivative exposures, the sensitivity measurement is based on the additional credit valuation and the parameter and model uncertainty additional adjustments related to Level 3.

Two scenarios were considered: a favourable scenario where all or portion of the additional valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require as much as twice the additional valuation adjustments considered by BNP Paribas for entering into a transaction.

	31 December 2013	
In millions of euros	Potential impact on income	Potential impact on equity
Treasury bills and government bonds		
Asset Backed Securities (ABS)	+/-62	+/-3
CDOs / CLOs	*+/-62*	
Other Asset Backed Securities		*+/-3*
Other fixed-income securities	+/-2	+/-10
Equities and other variable-income securities	+/-32	+/-64
Repurchase agreements	+/-44	
Derivative financial instruments	+/-1,010	
Interest rate derivatives	*+/-691*	
Credit derivatives	*+/-159*	
Equity derivatives	*+/-125*	
Other derivatives	*+/-35*	
Sensitivity of Level 3 financial instruments	**+/-1,150**	**+/-77**

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

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

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

In millions of euros	Deferred margin at 31 December 2012	Deferred margin on transactions during the year	Margin taken to the profit and loss account during the year	Deferred margin at 31 December 2013
Interest rate derivatives	202	95	(104)	193
Credit derivatives	165	87	(75)	177
Equity derivatives	213	137	(106)	244
Other derivatives	23	12	(17)	18
Derivative financial instruments	**603**	**331**	**(302)**	**632**

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 available-for-sale securities.

In millions of euros, at	Reclassification date	31 December 2013		31 December 2012	
		Carrying value	Market or model value	Carrying value	Market or model value
Structured transactions and other fixed-income securities from the available-for-sale portfolio		**993**	**1,148**	**1,371**	**1,555**
of which Portuguese sovereign securities	30 June 2011	623	696	1,001	1,117
of which Irish sovereign securities	30 June 2011	264	351	258	326
of which structured transactions and other fixed-income securities	30 June 2009	106	101	112	112
Structured transactions and other fixed-income securities from the trading portfolio	1 October 2008 / 30 June 2009	**1,842**	**1,859**	**3,469**	**3,426**

Without these reclassifications, the Group's net income for 2013 would not have been significantly different (although the net income for 2012 would have been increased by EUR 63 million). Similarly, changes in value of assets and liabilities recognised directly in equity would not have been significantly different in 2013, while they would have been increased by EUR 203 million in 2012.

5.f INTERBANK AND MONEY-MARKET ITEMS

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

In millions of euros	31 December 2013	31 December 2012
On demand accounts	7,392	8,665
Loans [1]	41,498	28,250
Repurchase agreements	1,989	4,028
Total loans and receivables due from credit institutions, before impairment	**50,879**	**40,943**
of which doubtful loans	*747*	*995*
Impairment of loans and receivables due from credit institutions (note 3.f)	**(392)**	**(537)**
specific impairment	(357)	(508)
collective provisions	(35)	(29)
Total loans and receivables due from credit institutions, net of impairment	**50,487**	**40,406**

[1] Loans and receivables due from credit institutions include term deposits made with central banks, which amounted to EUR 5,240 million as at 31 December 2013 (non material as at 31 December 2012).

- **Due to credit institutions**

In millions of euros	31 December 2013	31 December 2012
On demand accounts	9,536	9,840
Borrowings	68,860	93,862
Repurchase agreements	6,625	8,033
Total due to credit institutions	**85,021**	**111,735**

5.g CUSTOMER ITEMS

- **Loans and receivables due from customers**

In millions of euros	31 December 2013	31 December 2012
On demand accounts	44,272	43,434
Loans to customers	572,370	583,469
Repurchase agreements	954	2,177
Finance leases	26,181	27,965
Total loans and receivables due from customers, before impairment	**643,777**	**657,045**
of which doubtful loans	*45,420*	*42,453*
Impairment of loans and receivables due from customers (note 3.f)	**(26,616)**	**(26,525)**
specific impairment	(22,828)	(22,213)
collective provisions	(3,788)	(4,312)
Total loans and receivables due from customers, net of impairment	**617,161**	**630,520**

- **Breakdown of finance leases**

In millions of euros	31 December 2013	31 December 2012
Gross investment	**29,472**	**31,576**
Receivable within 1 year	*8,176*	*8,635*
Receivable after 1 year but within 5 years	*14,854*	*15,753*
Receivable beyond 5 years	*6,442*	*7,188*
Unearned interest income	**(3,291)**	**(3,611)**
Net investment before impairment	**26,181**	**27,965**
Receivable within 1 year	*7,378*	*7,757*
Receivable after 1 year but within 5 years	*13,179*	*13,935*
Receivable beyond 5 years	*5,624*	*6,273*
Impairment provisions	**(982)**	**(969)**
Net investment after impairment	**25,199**	**26,996**

- **Due to customers**

In millions of euros	31 December 2013	31 December 2012
On demand deposits	283,270	259,770
Term accounts and short-term notes	140,684	149,447
Regulated savings accounts	128,695	122,992
Repurchase agreements	5,254	7,304
Total due to customers	**557,903**	**539,513**

5.h PAST-DUE AND DOUBTFUL LOANS

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

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

- **Past-due but not impaired loans**

In millions of euros	31 December 2013					
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	Collateral received
Loans and receivables due from credit institutions	274			20	294	65
Loans and receivables due from customers	12,651	282	68	70	13,071	7,362
Total past-due but not impaired loans	**12,925**	**282**	**68**	**90**	**13,365**	**7,427**

In millions of euros	31 December 2012					
	< 90 days	> 90 days < 180 days	> 180 days < 1 year	> 1 year	Total	Collateral received
Loans and receivables due from credit institutions	105	20			125	49
Loans and receivables due from customers	15,709	604	45	79	16,437	9,734
Total past-due but not impaired loans	**15,814**	**624**	**45**	**79**	**16,562**	**9,783**

- **Doubtful loans**

In millions of euros	31 December 2013			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 5.c)	136	(84)	52	
Loans and receivables due from credit institutions (note 5.f)	747	(357)	390	288
Loans and receivables due from customers (note 5.g)	45,420	(22,828)	22,592	13,706
Doubtful assets	**46,303**	**(23,269)**	**23,034**	**13,994**
Financing commitments given	648	(64)	584	149
Guarantee commitments given	1,099	(271)	828	295
Off-balance sheet doubtful commitments	**1,747**	**(335)**	**1,412**	**444**
Total	**48,050**	**(23,604)**	**24,446**	**14,438**

In millions of euros	31 December 2012			
	Doubtful loans			Collateral received
	Gross value	Impairment	Net	
Available-for-sale financial assets (excl. variable-income securities) (note 5.c)	118	(69)	49	
Loans and receivables due from credit institutions (note 5.f)	995	(508)	487	318
Loans and receivables due from customers (note 5.g)	42,453	(22,213)	20,240	11,429
Doubtful assets	**43,566**	**(22,790)**	**20,776**	**11,747**
Financing commitments given	818	(79)	739	72
Guarantee commitments given	968	(248)	720	376
Off-balance sheet doubtful commitments	**1,786**	**(327)**	**1,459**	**448**
Total	**45,352**	**(23,117)**	**22,235**	**12,195**

5.i DEBT SECURITIES AND SUBORDINATED DEBT

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

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

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordina-tion ranking [1]	Conditions precedent for coupon payment [3]	Amount [4] eligible to Tier 1	Amount [4] eligible to Tier 2	31 Dec. 2013	31 Dec. 2012
Debt securities						1				**42,343**	**40,799**
Subordinated debt								**241**	**578**	**1,613**	**1,489**
- Redeemable subordinated debt			[2]			2		**-**	**526**	**817**	**781**
- Perpetual subordinated debt								**241**	**52**	**796**	**708**
BNP Paribas Fortis Dec. 2007	EUR	3,000	Dec.-14	3-month Euribor +200 bp	-	5	A	241	-	748	592
Others								-	52	48	116

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

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

[3] Conditions precedent for coupon payment:

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

[4] Given the eligibility criteria and prudential adjustments, including the own credit risk and instrument amortisations.

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

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

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

On 25 January 2012, Ageas and BNP Paribas Fortis signed an agreement concerning the purchase of all perpetual subordinated notes by BNP Paribas Fortis and the partial settlement of the RPN, following which the CASHES have been partially purchased in cash, and then converted into the Ageas underlying shares.

At 31 December 2013, the net balance represents a subordinated liability of EUR 241 million that is eligible to Tier 1 capital.

Maturity schedule of medium and long-term debt securities and redeemable subordinated debt designated as 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	2014	2015	2016	2017	2018	2019 - 2023	After 2023	Total at 31 Dec. 2013
Medium- and long-term debt securities	9,496	6,866	6,412	4,578	4,783	5,641	4,567	42,343
Redeemable subordinated debt	98	244	16	281	43	97	38	817
Total	**9,594**	**7,110**	**6,428**	**4,859**	**4,826**	**5,738**	**4,605**	**43,160**

Maturity or call option date, in millions of euros	2013	2014	2015	2016	2017	2018 - 2022	After 2022	Total at 31 Dec. 2012
Medium- and long-term debt securities	7,226	7,521	7,004	5,403	4,331	5,174	4,140	40,799
Redeemable subordinated debt	20	81	246	17	239	137	41	781
Total	**7,246**	**7,602**	**7,250**	**5,420**	**4,570**	**5,311**	**4,181**	**41,580**

DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Subordination ranking (1)	Conditions precedent for coupon payment (3)	Amount (5) eligible to Tier 1	Amount (5) eligible to Tier 2	31 Dec. 2013	31 Dec. 2012
Debt securities										183,507	173,198
- Debt securities in issue with an initial maturity of less than one year						1				**90,741**	**83,591**
Negotiable debt securities										90,741	83,591
- Debt securities in issue with an initial maturity of more than one year						1				**92,766**	**89,607**
Negotiable debt securities										78,606	72,294
Bonds										14,160	17,313
Subordinated debt								1,017	7,266	12,028	15,223
- Redeemable subordinated debt			(2)			2		**72**	**6,494**	**10,286**	**12,607**
- Undated subordinated notes			(2)					**945**	**550**	**1,496**	**1,461**
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	3	B	-	254	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month Libor + 0.075%	-	3	C	-	199	199	207
BNP Paribas Fortis Oct. 04	EUR	1,000	Oct.-14	4.625%	3 months Euribor + 170 bp	5	D	945	-	945	879
Other								-	97	98	121
- Undated subordinated debt								-	-	**-**	**926**
BNP Paribas Fortis Feb. 08	USD	750	-	8.28%	-	5	D	-	-	-	563
BNP Paribas Fortis June 08	EUR	375	-	8.03%	-	5	D	-	-	-	363
- Participating notes (4)								**-**	**222**	**222**	**222**
BNP Paribas SA July 84	EUR	337	-	(6)	-	4	NA	-	215	215	215
Other								-	7	7	7
- Expenses and commission, related debt								**-**	**-**	**24**	**7**

(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 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 Paribas SA may be repurchased as provided for in the law of 3 January 1983. Accordingly, during 2012, 32,000 notes have been repurchased and cancelled. The number of notes in the market is 1,434,092.

(5) Given the eligibility criteria and prudential adjustments, including the own credit risk and instrument amortisations.

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

On 2 June 2013, BNP Paribas Fortis carried out the early redemption of the perpetual subordinated BNP Paribas Fortis SA June-08 loan of EUR 375 million.

On 27 August 2013, BNP Paribas Fortis carried out the early redemption of the perpetual subordinated BNP Paribas Fortis SA Feb-08 loan of USD 750 million.

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	2014	2015	2016	2017	2018	2019 - 2023	After 2023	Total at 31 Dec. 2013
Medium- and long-term debt securities	17,743	17,457	11,506	10,328	6,805	25,459	3,468	92,766
Redeemable subordinated debt	1,347	1,136	1,204	4,116	545	1,676	262	10,286
Total	**19,090**	**18,593**	**12,710**	**14,444**	**7,350**	**27,135**	**3,730**	**103,052**

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

5.j HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	31 December 2013	31 December 2012
Treasury bills and government bonds	9,752	10,127
Other fixed-income securities	129	157
Total held-to-maturity financial assets	**9,881**	**10,284**

No held-to-maturity financial asset has been impaired as at 31 December 2013, nor as at 31 December 2012.

5.k Current and deferred taxes

In millions of euros	31 December 2013	31 December 2012 (1)
Current taxes	1,487	790
Deferred taxes	7,561	7,942
Current and deferred tax assets	**9,048**	**8,732**
Current taxes	849	901
Deferred taxes	1,783	2,042
Current and deferred tax liabilities	**2,632**	**2,943**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

Change in deferred tax over the period:

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Net deferred taxes at start of period	**5,900**	**7,867**
Net losses arising from deferred taxes (note 3.h)	(256)	(365)
Changes in deferred taxes linked to changes in value and reversal through profit or loss of changes in value of available-for-sale financial assets, including those reclassified as loans and receivables	(161)	(2,054)
Changes in deferred taxes linked to changes in value and reversal through profit or loss of changes in value of hedging derivatives	446	(195)
Changes in deferred taxes linked to items recognised directly in equity that will not be reclassified to profit and loss	(165)	56
Effect of exchange rate and other movements	14	591
Net deferred taxes at end of period	**5,778**	**5,900**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

Breakdown of deferred tax assets and liabilities by nature:

In millions of euros	31 December 2013	31 December 2012 (1)
Available-for-sale financial assets, including those reclassified as loans and receivables	(526)	(365)
Unrealised finance lease reserve	(552)	(688)
Provisions for employee benefit obligations	997	1,089
Provisions for credit risk	3,003	2,811
Other items	66	(103)
Tax loss carryforwards	2,790	3,156
Net deferred taxes	**5,778**	**5,900**
Deferred tax assets	7,561	7,942
Deferred tax liabilities	(1,783)	(2,042)

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

Unrecognised deferred tax assets totalled EUR 1,665 million at 31 December 2013 compared with EUR 1,905 million at 31 December 2012.

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

Main entities with deferred tax assets recognised on tax loss carryforwards:

In millions of euros	31 December 2013	Statutory time limit on carryforwards	Expected recovery period
BNP Paribas Fortis	2,250	unlimited	8 years
UkrSibbank	93	unlimited	5 years
BNP Paribas Securities Japan Ltd	90	9 years	8 years
Others	357		
Total deferred tax assets relating to tax loss carryforwards	**2,790**		

5.l Accrued income/expense and other assets/liabilities

In millions of euros	31 December 2013	31 December 2012 (1)
Guarantee deposits and bank guarantees paid	41,044	52,602
Settlement accounts related to securities transactions	18,653	13,005
Collection accounts	390	453
Reinsurers' share of technical reserves	2,712	2,827
Accrued income and prepaid expenses	4,641	4,982
Other debtors and miscellaneous assets	21,665	25,338
Total accrued income and other assets	**89,105**	**99,207**
Guarantee deposits received	31,020	42,235
Settlement accounts related to securities transactions	19,233	12,760
Collection accounts	1,167	1,288
Accrued expense and deferred income	6,613	6,338
Other creditors and miscellaneous liabilities	20,643	24,070
Total accrued expense and other liabilities	**78,676**	**86,691**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

The movement in “Reinsurers’ share of technical reserves” breaks down as follows:

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Reinsurers' share of technical reserves at start of period	**2,827**	**2,524**
Increase in technical reserves borne by reinsurers	218	3,470
Amounts received in respect of claims and benefits passed on to reinsurers	(327)	(3,166)
Effect of changes in exchange rates and scope of consolidation	(6)	(1)
Reinsurers' share of technical reserves at end of period	**2,712**	**2,827**

5.m INVESTMENTS IN ASSOCIATES

The main associates are listed individually in the following table:

In millions of euros	31 December 2013	31 December 2012 [1]
Retail Banking	**1,485**	**1,341**
of which Bank of Nanjing	540	463
of which Carrefour Banque	278	265
of which Servicios Financieros Carrefour EFC SA	144	136
Investment Solutions	**2,025**	**2,296**
of which AG Insurance	1,317	1,455
of which BNP Paribas Cardif Emeklilik Anonim Sirketi	88	121
Corporate and Investments Banking	**776**	**817**
of which Verner Investments	330	341
of which BNP Paribas SJ Ltd	213	270
Other Activities	**1,461**	**2,577**
of which Klépierre	986	1,096
of which Erbe	-	1,018
of which SCI SCOO	269	275
of which SCI Portes de Claye	120	118
Investments in associates	**5,747**	**7,031**

[1] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

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

In millions of euros	Financial reporting standards	Total assets	Net revenue	Net income attributable to equity holders
AG Insurance [2]	Local Gaap	61,249	6,823	435
Bank of Nanjing [2]	Local Gaap	41,425	1,126	478
BNP Paribas SJ Ltd. [2]	Local Gaap	270	2	-
Carrefour Banque [2]	Local Gaap	4,699	375	52
Klépierre [2]	Local Gaap	8,319	396	515
SCI SCOO [2]	Local Gaap	414	58	32
SCI Portes de Claye [2]	Local Gaap	268	8	4
Servicios Financieros Carrefour EFC SA [2]	Local Gaap	1,396	205	61
Verner Investissements [1]	IFRS Gaap	6,909	360	35

[1] Data as at 31 December 2013.
[2] Data as at 31 December 2012.

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

	31 December 2013			31 December 2012		
In millions of euros	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property	**995**	**(282)**	**713**	**1,199**	**(272)**	**927**
Land and buildings	7,018	(1,577)	5,441	6,997	(1,460)	5,537
Equipment, furniture and fixtures	6,641	(4,415)	2,226	6,519	(4,200)	2,319
Plant and equipment leased as lessor under operating leases	12,632	(4,137)	8,495	12,762	(4,157)	8,605
Other property, plant and equipment	2,008	(993)	1,015	1,780	(922)	858
Property, plant and equipment	**28,299**	**(11,122)**	**17,177**	**28,058**	**(10,739)**	**17,319**
Purchased software	2,650	(2,074)	576	2,543	(1,978)	565
Internally-developed software	3,230	(2,342)	888	2,890	(1,992)	898
Other intangible assets	1,455	(342)	1,113	1,602	(480)	1,122
Intangible assets	**7,335**	**(4,758)**	**2,577**	**7,035**	**(4,450)**	**2,585**

- **Investment property**

Land and buildings leased by the Group as lessor under operating leases, and land and buildings held as investments in connection with the life insurance business, are recorded in “Investment property”.

The estimated fair value of investment property accounted for at amortised cost at 31 December 2013 is EUR 906 million, compared with EUR 1,087 million at 31 December 2012.

- **Operating leases**

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

In millions of euros	31 December 2013	31 December 2012
Future minimum lease payments receivable under non-cancellable leases	**4,433**	**5,352**
Payments receivable within 1 year	*1,920*	*2,404*
Payments receivable after 1 year but within 5 years	*2,415*	*2,839*
Payments receivable beyond 5 years	*98*	*109*

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

- **Intangible assets**

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

- **Depreciation, amortisation and impairment**

Net depreciation and amortisation expense for the year ended 31 December 2013 was EUR 1,570 million, compared with EUR 1,546 million for the year ended 31 December 2012.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account in the year ended 31 December 2013 amounted to EUR 12 million, compared with a net decrease of EUR 3 million for the year ended 31 December 2012.

5.o GOODWILL

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Carrying amount at start of period	10,591	11,406
Acquisitions	62	2
Divestments	(86)	(240)
Impairment recognised during the period	(253)	(493)
Translation adjustments	(317)	(89)
Other movements	(3)	5
Carrying amount at end of period	9,994	10,591
Gross value	11,394	11,750
Accumulated impairment recognised at the end of period	(1,400)	(1,159)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Impairment recognised during the period		Acquisitions of the period	
	31 December 2013	31 December 2012	Year to 31 Dec. 2013	Year to 31 Dec. 2012	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Goodwill						
Retail Banking	7,767	8,308	(252)	(486)	-	-
Arval	*301*	*316*	-	-	-	-
BancWest	*3,620*	*3,782*	-	-	-	-
Italian Retail Banking	*1,214*	*1,400*	*(186)*	*(298)*	-	-
Leasing Solutions	*134*	*147*	-	*(80)*	-	-
Personal Finance	*1,325*	*1,395*	-	*(42)*	-	-
Personal Finance - partnership tested individually	*489*	*555*	*(66)*	*(66)*	-	-
Personal Investors	*409*	*412*	-	-	-	-
Turk Ekonomi Bankasi AS	*240*	*263*	-	-	-	-
Other	*35*	*38*	-	-	-	-
Investment Solutions	1,592	1,637	(1)	-	62	2
Insurance	*258*	*259*	-	-	-	-
Investment Partners	*165*	*251*	-	-	-	-
Real Estate	*371*	*351*	*(1)*	-	22	2
Securities Services	*399*	*372*	-	-	40	-
Wealth Management	*399*	*404*	-	-	-	-
Corporate and Investment Banking	632	643	-	(7)	-	-
Advisory and Capital Markets	*363*	*370*	-	-	-	-
Corporate Banking	*269*	*273*	-	*(7)*	-	-
Other Activities	3	3	-	-	-	-
Total goodwill	9,994	10,591	(253)	(493)	62	2
Negative goodwill			2	3		
Change in value of goodwill			(251)	(490)		

The homogeneous group of businesses to which goodwill is allocated are:

Arval: Specialist in multi-brand full service vehicle leasing, Arval offers its customers tailored solutions that optimise their employees' mobility and outsource the risks associated with fleet management.

BancWest: In the United States, the retail banking business is conducted through Bank of the West and First Hawaiian Bank, subsidiaries of BancWest Corporation since 1998. Bank of the West markets a very broad range of retail banking products and services to individuals, and has strong positions in certain niche lending markets. First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and corporates.

Italian Retail Banking: BNL banca commerciale is Italy's 6th largest bank in terms of total assets and loans to customers. It provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its diversified client base. BNL bc has a strong position in lending, especially residential mortgages. BNL bc also has a long-stand tradition in supporting large companies and local authorities, with a reputation in cross-border payments, project financing and structured finance, as well as factoring through its specialised subsidiary Ifitalia.

Leasing Solutions : BNP Paribas Leasing Solutions uses a multi-channel approach (direct sales, sales via referrals, partnerships and banking networks) to offer corporate and small business clients an array of leasing and rental solutions, ranging from equipment financing to fleet outsourcing.

Personal Finance: BNP Paribas Personal Finance is the Group's consumer credit specialist. It also has a residential mortgage lending business. BNP Paribas Personal Finance operates in 20 countries, and through brands such as Cetelem, Findomestic and AlphaCredit, it provides a comprehensive range of consumer loans at point of sale (retail stores and car dealerships) and directly to clients either online or through its customer relation centres. The consumer credit business also operates within the Group's retail banking network in the emerging countries, through the « PF Inside » set-up. A partnership with cash flows independent from those of the BNP Paribas Personal Finance homogeneous group, is tested individually for impairment.

Personal Investors: BNP Paribas Personal Investors provides independent financial advice and a wide range of investment services to individual clients. It includes notably Cortal Consors (European specialist in online savings and brokerage in Germany, France and Spain), B*Capital and Geojit BNP Paribas.

Turk Ekonomi Bankasi AS : TEB offers its customers a wide array of financial products and services, including Corporate, SME, Personal and Private Banking, Treasury and Capital Markets services, and investment.

Insurance: BNP Paribas Cardif operates in 37 countries and develops savings and protection products and services. In addition to its loan insurance business, BNP Paribas Cardif has expanded its protection offering, to encompass health insurance, budget, income and payment means protection, extended warranty, property and casualty insurance, etc. BNP Paribas Cardif sells its products through the BNP Paribas Retail Banking channel, as well as the Partnerships channel and the Digital & Brokers channel.

Investment Partners: BNP Paribas Investment Partners (BNPP IP) is the dedicated asset management business line of the BNP Paribas Group and offers a comprehensive range of asset management services to both private and institutional investors worldwide.

As a "multi-local" asset manager, BNPP IP has an Institutional line offering investors European and global customised management solutions; a Distribution offering individual and private bank customers both within and outside of the BNP Paribas Group a wide range of products and comprehensive savings solutions adapted to their needs; and an Asia Pacific & Emerging Markets providing customers in these areas with a global expertise while at the same time taking into account local requirements and factors.

Real Estate: BNP Paribas Real Estate ranks as Continental Europe's no. 1 provider of real estate services to corporates and as one of France's leading players in residential property.

Securities Services: BNP Paribas Securities Services is one of the major global players in securities services and provides integrated solutions for all actors involved in the investment cycle, sell side, buy side and issuers.

Wealth Management: BNP Paribas Wealth Management encompasses the private banking activities of BNP Paribas and serves a clientele of wealthy individuals, shareholder families and entrepreneurs seeking a one-stop shop for all their wealth management and financial needs.

Advisory and Capital Markets: incudes Global Equities and Commodity Derivatives (division which offers equity, commodity, index and fund derivatives, as well as financing solutions and an integrated equity brokerage platform), Fixed Income (global player in credit, currency and interest-rate products), and Corporate Finance (offers advisory services for mergers and acquisitions and primary equity capital market transactions).

Corporate Banking : Corporate Banking comprises all financing products and services for corporate clients, from transaction banking (cash management, international trade finance and liquidity management) to financing solutions : vanilla lending, specialised financing (aircraft, shipping, real estate, export, leveraged financing, project, corporate acquisition financing and media telecom). This offer has been expanded with a line of products dedicated to the gathering of corporate deposits.

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

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

The DCF method is based on a number of assumptions in terms of future revenues, expenses and cost of risk (cash flows) based on medium-term business plans over a period of five years. Cash flow projections beyond the 5-year forecast period are based on a growth rate to perpetuity and are normalised when the short-term environment does not reflect the normal conditions of the economic cycle. Until 31 December 2012, the cash flow assumptions were based on medium-term business plans for the first three years, extrapolated over a sustainable growth period of ten years, and then in perpetuity.

The key parameters which are sensitive to the assumptions made are the cost/income ratio, the cost of capital and the growth rate to perpetuity:

Cost of capital is determined on the basis of a risk-free rate, an observed market risk premium weighted by a risk factor based on comparables specific to each homogeneous group of businesses. The values of these parameters are obtained from external information sources.

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

The growth rate to perpetuity used is 2% for mature economies. For CGUs implemented in countries with high levels of inflation, a specific add-on is taken into account (calculated according inflation rates disclosed by external sources).

The following table 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 the growth rate to perpetuity.

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

In 2013, the difficult Italian economic environment led to the recognition of an additional EUR 186 million impairment.

- **Sensitivity of the main goodwill valuations to a 10-basis point change in the cost of capital, a 1% point change in the cost/income ratio and a 50-basis point change in the growth rate to perpetuity**

In millions of euros	BNL bc	BancWest	Personal Finance
Cost of capital	**10.1%**	**8.2%**	**10.1%**
Adverse change (+10 basis points)	(82)	(150)	(104)
Positive change (- 10 basis points)	84	155	107
Cost/income ratio	**52.9%**	**56.8%**	**46.2%**
Adverse change (+ 1 %)	(182)	(219)	(222)
Positive change (-1 %)	182	219	222
Growth rate to perpetuity	**2.0%**	**2.0%**	**2.1%**
Adverse change (- 50 basis points)	(267)	(358)	(262)
Positive change (+50 basis points)	302	421	296

A 2% change in the normalised cash flow used for the goodwill impairment test of the BNL bc homogeneous group would result in a EUR 92 million change in its recoverable amount.

For the BancWest and Personal Finance homogeneous groups of businesses, there are no grounds for goodwill impairment 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 2013	31 December 2012
Liabilities related to insurance contracts	**118,785**	**115,432**
Gross technical reserves		
Unit-linked contracts	42,677	42,241
Other insurance contracts	76,108	73,191
Liabilities related to financial contracts with discretionary participation feature	**28,383**	**26,062**
Policyholders' surplus reserve - liability	**8,058**	**6,498**
Total technical reserves of insurance companies	**155,226**	**147,992**
Liabilities related to unit-linked financial contracts [1]	2,260	1,298
Liabilities related to general fund financial contracts	2	25
Total liabilities related to contracts written by insurance companies	**157,488**	**149,315**

[1] Liabilities related to unit-linked financial contracts are included in "Due to customers" (note 5.g)

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2013, unchanged from 2012.

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

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Liabilities related to contracts at start of period	**149,315**	**133,196**
Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance	21,275	30,801
Claims and benefits paid	(15,579)	(18,177)
Effect of changes in the scope of consolidation	203	(6)
Effect of movements in exchange rates	(494)	140
Effect of changes in value of admissible investments related to unit-linked business	2,768	3,361
Liabilities related to contracts at end of period	**157,488**	**149,315**

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

5.q PROVISIONS FOR CONTINGENCIES AND CHARGES

- **Provisions for contingencies and charges**

In millions of euros	31 Dec. 2012 [1]	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 Dec. 2013
Provisions for employee benefits	**7,175**	**878**	**(1,130)**	**(466)**	**5**	**6,462**
of which post-employment benefits (note 7.b)	4,728	48	(179)	(464)	69	4,202
of which post-employment healthcare benefits (note 7.b)	148	(2)	(3)	(2)	(10)	131
of which provision for other long-term benefits (note 7.c)	1,058	306	(269)		(55)	1,040
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan (note 7.d)	470	142	(186)		(6)	420
of which provision for share-based payments (note 7.e)	771	384	(493)		7	669
Provisions for home savings accounts and plans	**142**	**(64)**	**-**		**-**	**78**
Provisions for credit commitments (note 3.f)	**976**	**123**	**(39)**		**(52)**	**1,008**
Provisions for litigations	**1,683**	**1,191**	**(102)**		**(54)**	**2,718**
Other provisions for contingencies and charges	**1,404**	**371**	**(102)**		**24**	**1,697**
Total provisions for contingencies and charges	**11,380**	**2,499**	**(1,373)**	**(466)**	**(77)**	**11,963**

[1] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- **Provisions and discount for home savings accounts and plans**

In millions of euros	31 December 2013	31 December 2012
Deposits collected under home savings accounts and plans	**15,390**	**14,946**
of which deposits collected under home savings plans	12,639	12,076
Aged more than 10 years	*4,837*	*5,374*
Aged between 4 and 10 years	*3,906*	*4,491*
Aged less than 4 years	*3,896*	*2,211*
Outstanding loans granted under home savings accounts and plans	**303**	**379**
of which loans granted under home savings plans	57	76
Provisions and discount recognised for home savings accounts and plans	**85**	**152**
provisions recognised for home savings plans	65	124
provisions recognised for home savings accounts	13	18
discount recognised for home savings accounts and plans	7	10

5.r OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the amounts of financial assets and liabilities before and after offsetting. This information, required by the amendment to IFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) applicable as of 1st January 2013, aims to enable the comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

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

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

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

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

In millions of euros, at 31 December 2013	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	157,740	-	157,740	-	-	157,740
Loans	445	-	445	-	-	445
Repurchase agreements	224,516	(79,653)	144,863	(33,246)	(109,031)	2,586
Instruments designated as at fair value through profit or loss	67,230	-	67,230	-	-	67,230
Derivative financial instruments (including derivatives used for hedging purposes)	593,531	(283,696)	309,835	(263,367)	(21,611)	24,857
Loans and receivables due from customers and credit institutions	668,518	(870)	667,648	(678)	(2,225)	664,745
of which repurchase agreements	*2,943*	-	*2,943*	*(678)*	*(2,225)*	*40*
Accrued income and other assets	91,240	(2,135)	89,105	-	(25,560)	63,545
of which guarantee deposits paid	*41,044*	-	*41,044*	-	*(25,560)*	*15,484*
Other assets not subject to offsetting	363,273	-	363,273	-	-	363,273
TOTAL ASSETS	**2,166,493**	**(366,354)**	**1,800,139**	**(297,291)**	**(158,427)**	**1,344,421**

In millions of euros, at 31 December 2013	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	69,803	-	69,803	-	-	69,803
Borrowings	3,758	-	3,758	-	-	3,758
Repurchase agreements	271,829	(79,653)	192,176	(31,889)	(152,035)	8,252
Instruments designated as at fair value through profit or loss	45,329	-	45,329	-	-	45,329
Derivative financial instruments (including derivatives used for hedging purposes)	593,066	(283,696)	309,370	(263,367)	(25,409)	20,594
Due to customers and to credit institutions	643,794	(870)	642,924	(2,035)	(9,704)	631,185
of which repurchase agreements	*11,879*	-	*11,879*	*(2,035)*	*(9,704)*	*140*
Accrued expense and other liabilities	80,811	(2,135)	78,676	-	(21,980)	56,696
of which guarantee deposits received	*31,020*	-	*31,020*	-	*(21,980)*	*9,040*
Other liabilities not subject to offsetting	366,941	-	366,941	-	-	366,941
TOTAL LIABILITIES	**2,075,331**	**(366,354)**	**1,708,977**	**(297,291)**	**(209,128)**	**1,202,558**

In millions of euros, at 31 December 2012	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet [1]	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Trading securities	143,465	-	143,465	-	-	143,465
Loans	1,150	-	1,150	-	-	1,150
Repurchase agreements	193,757	(48,008)	145,749	(35,640)	(103,455)	6,654
Instruments designated as at fair value through profit or loss	62,800	-	62,800	-	-	62,800
Derivative financial instruments (including derivatives used for hedging purposes)	866,733	(441,831)	424,902	(373,016)	(19,476)	32,410
Loans and receivables due from customers and credit institutions	672,138	(1,212)	670,926	(1,516)	(4,400)	665,010
of which repurchase agreements	*6,203*	-	*6,203*	*(1,516)*	*(4,400)*	*287*
Accrued income and other assets	99,713	(506)	99,207	-	(24,664)	74,543
of which guarantee deposits paid	*52,602*	-	*52,602*	-	*(24,664)*	*27,938*
Other assets not subject to offsetting	359,001	-	359,001	-	-	359,001
TOTAL ASSETS	**2,398,757**	**(491,557)**	**1,907,200**	**(410,172)**	**(151,995)**	**1,345,033**

In millions of euros, at 31 December 2012	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet [1]	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Trading securities	52,432	-	52,432	-	-	52,432
Borrowings	4,016	-	4,016	-	-	4,016
Repurchase agreements	247,055	(48,008)	199,047	(34,499)	(145,370)	19,178
Instruments designated as at fair value through profit or loss	43,530	-	43,530	-	-	43,530
Derivative financial instruments (including derivatives used for hedging purposes)	863,715	(441,831)	421,884	(373,016)	(24,361)	24,507
Due to customers and to credit institutions	652,460	(1,212)	651,248	(2,657)	(10,928)	637,663
of which repurchase agreements	*15,336*	-	*15,336*	*(2,657)*	*(10,928)*	*1,751*
Accrued expense and other liabilities	87,197	(506)	86,691	-	(19,722)	66,969
of which guarantee deposits received	*42,235*	-	*42,235*	-	*(19,722)*	*22,513*
Other liabilities not subject to offsetting	354,335	-	354,335	-	-	354,335
TOTAL LIABILITIES	**2,304,740**	**(491,557)**	**1,813,183**	**(410,172)**	**(200,381)**	**1,202,630**

[1] Restated according to the amendment to IAS 19 (see notes 1.a and 2).

5.s TRANSFERS OF FINANCIAL ASSETS

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

- **Securities lending, repurchase agreements and other transactions:**

	31 December 2013		31 December 2012	
In millions of euros, at	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Securities at fair value through profit or loss	2,086		3,270	
Repurchase agreements				
Securities at fair value through profit or loss	68,336	66,710	52,604	51,915
Securities classified as loans and receivables	1,650	1,440	957	888
Available-for-sale financial assets	10,800	10,789	9,422	9,423
Other transactions				
Securities at fair value through profit or loss	927	828	-	-
Total	**83,799**	**79,767**	**66,253**	**62,226**

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

In millions of euros, at 31 December 2013	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Securities at fair value through profit or loss	55	54	55	54	1
Loans and receivables	13,456	10,676	13,765	10,747	3,018
Available-for-sale financial assets	456	511	441	480	(39)
Total	**13,967**	**11,241**	**14,261**	**11,281**	**2,980**

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

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

6. FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

Contractual value of financing commitments given and received by the Group:

In millions of euros	31 December 2013	31 December 2012
Financing commitments given		
- to credit institutions	**5,134**	**48,628**
- to customers	**206,401**	**215,656**
Confirmed letters of credit	169,472	176,355
Other commitments given to customers	36,929	39,301
Total financing commitments given	**211,535**	**264,284**
Financing commitments received		
- from credit institutions	**89,831**	**119,722**
- from customers	**2,747**	**6,036**
Total financing commitments received	**92,578**	**125,758**

Reverse repurchase agreements and repurchase agreements, shown between the transaction date and the delivery date as financing commitments given and received as at 31 December 2012, for EUR 51,182 million and EUR 70,096 million respectively, are now shown as interest rate derivatives, in accordance with the provisions described in note 1.c.3.

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	31 December 2013	31 December 2012
Guarantee commitments given		
- to credit institutions	**12,601**	**11,829**
- to customers	**79,693**	**79,860**
Property guarantees	971	1,054
Sureties provided to tax and other authorities, other sureties	47,238	44,283
Other guarantees	31,484	34,523
Total guarantee commitments given	**92,294**	**91,689**

6.c OTHER GUARANTEE COMMITMENTS

- **Financial instruments given as collateral:**

In millions of euros	31 December 2013	31 December 2012
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	**93,153**	**99,499**
- Used as collateral with central banks	17,426	42,201
- Available for refinancing transactions	75,727	57,298
Securities sold under repurchase agreements	**261,508**	**238,734**
Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group (1)	**143,856**	**149,237**

(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 334,678 million at 31 December 2013 (EUR 328,024 million at 31 December 2012).

- **Financial instruments received as collateral:**

In millions of euros	31 December 2013	31 December 2012
Financial instruments received as collateral (excluding repurchase agreements)	**63,119**	**71,671**
of which instruments that the Group is authorised to sell and reuse as collateral	*30,780*	*32,140*
Securities received under repurchase agreements	**194,968**	**174,474**

The financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 171,241 million at 31 December 2013 (compared with EUR 156,718 million at 31 December 2012).

7. SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSE

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Fixed and variable remuneration, incentive bonuses and profit-sharing	10,812	11,208
Employee benefit expense	3,569	3,557
Payroll taxes	461	483
Total salary and employee benefit expense	**14,842**	**15,248**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

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/or from future changes in the benefits.

- **Defined-contribution pension plans for Group entities**

The BNP Paribas Group has implemented over the past few years a wide campaign of converting defined-benefit plans into defined-contribution plans.

Thus, in France, 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 for the year to 31 December 2013 was EUR 506 million, compared with EUR 531 million for the year to 31 December 2012.

The breakdown by major contributors is determined as follows:

Contribution amount In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
France	249	282
Italy	58	61
UK	57	45
USA	28	26
Turkey	30	25
Others	84	92
TOTAL	506	531

In Italy, the plan introduced by BNL is funded by employer contributions (4% of salaries) and employee contributions (2% of salaries). Employees can also make additional voluntary contributions.

In the United Kingdom, the employer contributes 12% of salaries for the majority of employees; employees can make additional voluntary contributions.

In the US, the bank matches the voluntary contributions made by employees, within certain limits.

- **Main defined-benefit pension plans for Group entities, of which indemnities payable on retirement**

In Belgium, BNP Paribas Fortis funds a defined-benefit plan, based on final salary and number of years of service, for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 87% (stable since 31 December 2012) through AG Insurance, in which the BNP Paribas Group owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan, paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 80% at 31 December 2013 (75% at 31 December 2012) through AXA Belgium and AG Insurance.

In addition, the law requires employers to guarantee a minimum return on assets saved under defined-contribution schemes. As a result of this obligation, these plans are classified as defined-benefit schemes. An annual actuarial valuation ensures that the financial assets are sufficient to honour the guaranteed return imposed upon the employer. At 31 December 2013, the amount of assets is 7 % higher than that of obligations (5% at 31 December 2012).

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees and active employees in service at that date. At 31 December 2013, the Group's residual obligations for employees of BNP origin were recognised on the balance sheet in full.

The defined-benefit plans previously granted to Group executives formerly employed by BNP, Paribas or Compagnie Bancaire have all been closed to new employees and converted into top-up type schemes. The amounts allocated to residual beneficiaries, subject to their presence within the Group at retirement, were fixed when these schemes were closed. At 31 December 2013, 87% of these pension plans were funded through insurance companies (82% at 31 December 2012).

In the United Kingdom, defined-benefit pension plans (pension funds) still exist but are closed to new employees. Under these plans, the defined pension is based on final salary and number of years of service. Pension schemes are managed by independent management bodies (Trustees). At 31 December 2013, obligations for all UK entities were 99% covered by financial assets, compared with 92% at 31 December 2012.

In Switzerland, liabilities relate to top-up pension plans based on the principle of defined-contribution schemes with guaranteed returns, paying an annuity under pre-defined terms. These schemes are managed by a foundation. At the end of 2013, obligations were 100% covered by financial assets, compared with 96% at the end of 2012.

In the United States, defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual salary and paying interest at a pre-defined rate. These plans are closed to new entrants and have offered almost no new vesting rights since 2012. At 31 December 2013, the obligation was 82% covered by financial assets, compared with 62% at 31 December 2012.

In Turkey, the pension plan replaces the national pension scheme (these obligations are measured based on the terms of the eventual transfer to the Turkish State) and offers guarantees exceeding the minimal legal requirements. At the end of 2013, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but since it is not refundable, this surplus is not recognised as an asset by the Group. The funding coverage rate at 31 December 2013 reached 204% (245% at 31 December 2012).

- Other post-employment benefits

Group employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement, determined according to minimal legal requirements (Labour Code, collective agreements) or according to specific company-level agreements.

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2013, this obligation was 84% covered by financial assets, compared with 76% at 31 December 2012.

In other countries, the gross obligations of the Group related to these benefits are mainly concentrated in Italy. They are representative of rights vested up to 31 December 2006, since pension reforms changed Italian termination indemnity schemes into defined-contribution plans effective from 1 January 2007.

- **Obligations under defined-benefit plans and other post-employment benefits**

\- Assets and liabilities recognised on the balance sheet

In millions of euros, at 31 December 2013	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimburse-ment rights (1)	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimburse-ment rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*2,962*	*15*	2,977	(31)	(2,636)	-	310	(2,636)	-	*(2,636)*	2,946
France	*1,449*	*137*	1,586	(1,233)	-	-	353	-	-	-	353
UK	*1,103*	*1*	1,104	(1,093)	-	-	11	(18)	*(18)*	-	29
Switzerland	*819*	*16*	835	(819)	-	-	16	-	-	-	16
USA	*485*	*126*	611	(501)	-	-	110	(32)	*(32)*	-	142
Italy	-	*411*	411	-	-	-	411	-	-	-	411
Turkey	*209*	*29*	238	(428)	-	219	29	-	-	-	29
Others	*493*	*146*	639	(372)	(22)	-	245	(31)	*(9)*	*(22)*	276
TOTAL	***7,520***	***881***	**8,401**	**(4,477)**	**(2,658)**	**219**	**1,485**	**(2,717)**	***(59)***	***(2,658)***	**4,202**

In millions of euros, at 31 December 2012 (2)	*Defined-benefit obligation arising from wholly or partially funded plans*	*Defined-benefit obligation arising from unfunded plans*	Present value of defined-benefit obligation	Fair value of plan assets	Fair value of reimburse-ment rights (1)	Effect of asset ceiling	Net obligation	*of which asset recognised in the balance sheet for defined-benefit plans*	*of which net assets of defined-benefit plans*	*of which fair value of reimburse-ment rights*	*of which obligation recognised in the balance sheet for defined-benefit plans*
Belgium	*3,065*	*16*	3,081	(28)	(2,618)	-	435	(2,618)	-	*(2,618)*	3,053
France	*1,567*	*150*	1,717	(1,213)	-	-	504	-	-	-	504
UK	*1,093*	*1*	1,094	(1,005)	-	-	89	(4)	*(4)*	-	93
Switzerland	*818*	*21*	839	(782)	-	-	57	-	-	-	57
USA	*585*	*145*	730	(451)	-	-	279	-	-	-	279
Italy	-	*468*	468	-	-	-	468	-	-	-	468
Turkey	*143*	*29*	172	(352)	-	209	29	-	-	-	29
Others	*490*	*71*	561	(317)	(21)	-	223	(22)	*(1)*	*(21)*	245
TOTAL	***7,761***	***901***	**8,662**	**(4,148)**	**(2,639)**	**209**	**2,084**	**(2,644)**	***(5)***	***(2,639)***	**4,728**

(1) The reimbursement rights are principally found on the balance sheet of the Group's insurance subsidiaries and associated companies 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.
(2) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- Change in the present value of the defined-benefit obligation

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Present value of defined benefit obligation at start of period	**8,662**	**8,351**
Current service cost	274	311
Interest cost	218	310
Past service cost	(12)	(4)
Settlements	(10)	(71)
Actuarial (gains)/losses on change in demographic assumptions	(10)	(156)
Actuarial (gains)/losses on change in financial assumptions	(353)	541
Actuarial (gains)/losses on experience gaps	122	(101)
Actual employee contributions	24	30
Benefits paid directly by the employer	(120)	(130)
Benefits paid from assets/reimbursement rights	(367)	(380)
Exchange rate (gains)/losses on obligation	(129)	31
(Gains)/losses on obligation related to changes in the consolidation scope	88	(71)
Others	14	1
Present value of defined benefit obligation at end of period	**8,401**	**8,662**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- Change in the fair value of plan assets and reimbursement rights

	Plan assets		Reimbursement rights	
In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Fair value of assets at start of period	**4,148**	**3,798**	**2,639**	**2,463**
Expected return on assets	120	153	62	79
Settlements	-	(19)	-	-
Actuarial gains/(losses) on assets	229	138	13	142
Actual employee contributions	14	21	10	10
Employer contributions	202	292	112	146
Benefits paid from assets	(189)	(211)	(178)	(169)
Exchange rate gains/(losses) on assets	(141)	32	-	-
Gains/(losses) on assets related to changes in the consolidation scope	123	(53)	1	(32)
Others	(29)	(3)	(1)	-
Fair value of assets at end of period	**4,477**	**4,148**	**2,658**	**2,639**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec. 2013	Year to Dec. 2012 [(1)]
Service costs	**252**	**255**
Current service cost	274	311
Past service cost	(12)	(4)
Settlements	(10)	(52)
Net financial expense	**55**	**87**
Interest cost	218	310
Interest income on plan assets	(101)	(144)
Interest income on reimbursement rights	(62)	(79)
Total recognised in salary and employee benefit expense	**307**	**342**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012 [(1)]
Other items recognised directly in equity	**513**	**(131)**
Actuarial (losses)/gains on plan assets or reimbursement rights	242	281
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	10	156
Actuarial (losses)/gains of financial assumptions on the present value of obligations	353	(541)
Experience (losses)/gains on obligations	(122)	101
Variation on the limit of assets	30	(128)

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

- Main actuarial assumptions used to calculate obligations

In the Eurozone, United Kingdom and United States, the Group discounts its obligations using the yields of high quality corporate bonds, with a term consistent with the duration of the obligations.

The rates used are as follows:

In %	31 December 2013		31 December 2012	
	Discount rate	Compensation increase rate (1)	Discount rate	Compensation increase rate (1)
Belgium	1.20%-3.25%	1.95%-3.70%	2.10%-2.60%	3.60%-3.70%
France	2.09%-3.17%	2.30%-3.30%	1.42%-2.69%	2.60%-3.60%
UK	3.40%-4.30%	2.00%-4.50%	4.00%	2.00%-4.25%
Switzerland	1.30%-2.10%	2.20%	1.20%-1.90%	2.20%
USA	4.95%	4.00%	3.90%	4.00%
Italy	1.90%-3.00%	2.20%	2.03%-2.69%	2.20%
Turkey	9.92%-10.10%	7.50%	6.91%-7.00%	5.78%

(1) Including price increases (inflation)

The impact of a 100bp change in discount rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations In millions of euros	31 December 2013		31 December 2012	
	Discount rate -100bp	Discount rate +100bp	Discount rate -100bp	Discount rate +100bp
Belgium	228	(168)	263	(229)
France	152	(133)	154	(137)
UK	248	(227)	280	(211)
Switzerland	76	(75)	103	(70)
USA	75	(64)	93	(80)
Italy	34	(29)	35	(31)
Turkey	21	(16)	17	(13)

- Actual rate of return on plan assets and reimbursement rights over the period

In % (1)	Year to 31 December 2013	Year to 31 December 2012
Belgium	2.30%-6.20%	2.00%-10.00%
France	3.70%	3.70%
UK	7.60%-12.10%	4.78%-10.00%
Switzerland	6.40%-7.00%	7.00%-8.00%
USA	9.79%-15.77%	8.00-14.00%
Turkey	5.82%	10.80%

(1) Range of value, reflecting the existence of several plans in the same country.

Breakdown of plan assets:

In %	31 December 2013						31 December 2012					
	Shares	Government bonds	Non-Government bonds	Real-estate	Deposit accounts	Others	Shares	Government bonds	Non-Government bonds	Real-estate	Deposit accounts	Others
Belgium	2%	63%	17%	0%	0%	18%	2%	63%	17%	0%	0%	18%
France	7%	62%	22%	9%	0%	0%	7%	62%	22%	9%	0%	0%
UK	40%	44%	14%	0%	1%	1%	37%	36%	21%	0%	2%	4%
Switzerland	33%	34%	0%	13%	9%	11%	30%	42%	0%	12%	6%	10%
USA	48%	17%	19%	1%	0%	15%	55%	20%	21%	1%	0%	3%
Turkey	0%	3%	0%	5%	91%	1%	0%	2%	0%	6%	89%	3%
Others	12%	14%	10%	1%	15%	48%	15%	21%	12%	2%	17%	33%
GROUP	**16%**	**47%**	**14%**	**4%**	**7%**	**12%**	**15%**	**48%**	**16%**	**4%**	**6%**	**11%**

The Group introduced an asset management governance for assets backing defined-benefit pension plan commitments, the main objectives of which are the management and control of the risks in term of investment.

It sets out investment principles, in particular, by defining an investment strategy for plan assets, based on financial objectives and financial risk management, to specify the way in which plan assets have to be managed, via financial management servicing contracts.

The investment strategy is based on an assets and liabilities management analysis that should be realised at least on an annual basis for plans with assets in excess of EUR 100 million and every three years for plans with assets of between EUR 20 and EUR 100 million.

- **Post-employment healthcare benefits**

The Group offers some healthcare benefit plans for retired employees, mainly in the United States and Belgium. These plans are, mainly, closed to new entrants.

The current value of post-employment healthcare benefit obligations stood at EUR 131 million at 31 December 2013, down from EUR 147 million at 31 December 2012, i.e. a decrease of EUR 16 million in 2013, compared with an increase of EUR 26 million in 2012.

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. The net provision amounted to 450 million euros at year end 31 December 2013 (EUR 493 million at 31 December 2012).

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 2013, BNP Paribas introduced an ISIS plan (International Sustainability and Incentive Scheme) with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group’s intrinsic performance. The aim of the ISIS plan is to make different categories of managerial staff partners in the Group’s development and profitability objectives. These personnel are representative of the Group’s talent and the breadth of its managerial framework i.e. senior managers, managers in key positions, line managers and experts, high-potential managers, high-performing young executives with good career development prospects and key contributors to the Group's results.

The amounts allocated under this plan are linked to changes in the Group's operating income over three years (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These nine targets are in line with the four pillars on which the Group's CSR policy is based. In addition, the final payment is subject to continuous service within the Group between the grant date and the payment date, provided that the Group's operating income and pre-tax income for the year prior to payment are strictly positive.

The net obligation related to deferred compensation plans amounts to EUR 457 million at 31 December 2013 (EUR 463 million at 31 December 2012).

In millions of euros	31 December 2013	31 December 2012
Net provisions for other long-term benefits	**907**	**956**
Asset recognised in the balance sheet under the other long-term benefits	(133)	(102)
Obligation recognised in the balance sheet under the other long-term benefits	1,040	1,058

7.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plan for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for where the plan is the subject of a bilateral agreement or a draft bilateral agreement.

In millions of euros	31 December 2013	31 December 2012
Provision for voluntary departure, early retirement plans, and headcount adaptation plan	420	470

7.e SHARE-BASED PAYMENTS

SHARE-BASED LOYALTY, COMPENSATION AND INCENTIVE SCHEMES

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

- deferred share price-linked, cash-settled long term compensation plans, mainly for employees whose activities are likely to have an impact on the Group's risk exposure;
- until 2012, a Global Share-Based Incentive Plan including:
  - performance shares plans
  - stock subscription or purchase option plans

- **Deferred share price-linked, cash-settled compensation plans**

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

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

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

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

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

- Deferred variable compensation for other Group employees

  Sums due under the annual deferred compensation plans for high-performing employees are paid all or part in cash and are linked to the increase or decrease in the BNP Paribas share price.

- **Global Share-Based Incentive Plan**

Until 2005, various stock option plans were granted to Group employees by BNP Paribas and BNL, under successive authorisations given by Shareholders' Meetings.

Between 2006 and 2012, BNP Paribas set up a Global Share-Based Incentive Plan for some Group employees, including stock options and performance share awards.

The option exercise price under these plans is determined at the time of issuance and no discount is offered. Since the 2005 plan, the life of the options granted has been reduced to 8 years.

Until 2008, the vesting period for performance share plans was 2 or 4 years depending on the case. Performance shares awarded between 2009 and 2012 vest after a period of 3 or 4 years, depending on the case and provided the employee is still a member of the Group. The compulsory holding period for performance shares is two years for France-based employees.

Since 2010, the conditional portion granted is set at 100% of the total award for members of the BNP Paribas Group Executive Committee and senior managers and 20% for other beneficiaries.

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

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

Under stock option plans set up between 2003 and 2011, the performance condition was not fully met on six out of twenty-nine occasions and the adjustments described above were therefore implemented. Under performance share plans awarded between 2009 and 2012, the performance condition was not met on three out of nine occasions and the relevant contingent portion therefore lapsed.

All unexpired plans settle in subscription or purchase of BNP Paribas shares.

- **Expense of share-based payment**

Expense in millions of euros	Year to 31 Dec. 2013				Year to 31 Dec. 2012
	Stock subscription and purchase option plans	Performance share plans	Variable deferred compensation plans	Total expense	Total expense
Prior deferred compensation plans	-	-	128	**128**	160
Deferred compensation plan for the year	-	-	256	**256**	294
Global Share-Based Incentive Plan	15	33	-	**48**	72
Total	**15**	**33**	**384**	**432**	**526**

- **Valuation of stock option plans and performance share plans**

As required under IFRS 2, BNP Paribas attributes a value to stock options and performance shares granted to employees and recognises an expense, determined at the date of grant, calculated respectively on the basis of the fair value of the options and shares concerned. This initial fair value may not subsequently be adjusted for changes in the quoted market price of BNP Paribas shares. The only assumptions that may result in a revision to fair value during the vesting period, and hence an adjustment in the expense, are those related to the population of grantees (loss of rights) and internal performance conditions. The Group's share-based payment plans are valued by an independent specialist firm.

- **Measurement of stock subscription options**

Binomial or trinomial tree algorithms are used to build in the possibility of non-optimal exercise of options from the vesting date. The Monte-Carlo method is also used to price in the characteristics of certain secondary grants linking options to the performance of the BNP Paribas share relative to a sector index.

The last stock subscription options were granted in 2011.

- **Measurement of performance shares**

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

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

	Year to 31 Dec. 2012 Plan granted on 6 March 2012	
	Vested on 9 March 2015	Vested on 7 March 2016
BNP Paribas share price on the grant date (in euros)	37.20	37.20
Date of availability	09/03/2017	07/03/2016
Expected dividend on BNP Paribas shares [1]	3.23%	3.23%
Risk-free interest rate	1.53%	1.33%
Expected proportion of options that will be forfeited	2.00%	2.00%

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

- **History of plans granted under the Global Share-Based Incentive Plan**

The tables below give details of the characteristics and terms of all unexpired plans at 31 December 2013:

- Stock subscription option plan

Characteristics of the plan							Options outstanding at end of period	
Originating company	Date of grant	Number of grantees	Number of options granted	Start date of exercise period	Option expiry date	Adjusted exercise price *(in euros)* (1)	Number of options (1)	Remaining period until expiry of options (years)
BNL (3)	26/10/2001	223	573,250	26/10/2004	26/10/2014	61.888	4,856	0.8
BNP Paribas SA (2)	24/03/2004	1,458	1,779,850	24/03/2008	21/03/2014	48.15	911,947	0.2
BNP Paribas SA (2)	05/04/2006	2,583	3,894,770	06/04/2010	04/04/2014	73.40	3,351,968	0.3
BNP Paribas SA (2)	08/03/2007	2,023	3,630,165	08/03/2011	06/03/2015	80.66	3,176,655	1.2
BNP Paribas SA (2)	06/04/2007	219	405,680	06/04/2011	03/04/2015	76.57	353,702	1.3
BNP Paribas SA (2)	18/04/2008	2,402	3,985,590	18/04/2012	15/04/2016	64.47	3,570,429	2.3
BNP Paribas SA (2)	06/04/2009	1,397	2,376,600	08/04/2013	05/04/2017	35.11	1,614,086	3.3
BNP Paribas SA (2)	05/03/2010	1,820	2,423,700	05/03/2014	02/03/2018	51.20	2,258,370	4.2
BNP Paribas SA (2)	04/03/2011	1,915	2,296,820	04/03/2015	04/03/2019	56.45	2,199,380	5.2
Total options outstanding at end of period							**17,441,393**	

(1) The number of options and the exercise price have been adjusted, where appropriate, for the two-for-one BNP Paribas share split that took place on 20 February 2002, and the detachment of pre-emptive subscription rights on 7 March 2006 and 30 September 2009, in accordance with the regulations in force.

(2) The plan is subject to vesting conditions under which a proportion of the options granted to employees is conditional upon the performance of the BNP Paribas share relative to the Dow Jones Euro Stoxx Bank index during the applicable holding period.

Based on this relative performance condition, the adjusted exercise price for these options has been set at:

- EUR 50.55 for 3,080 options under the 24 March 2004 plan, outstanding at the year-end
- EUR 77.06 for 149,224 options under the 5 April 2006 plan, outstanding at the year-end

(3) Following the merger between BNL and BNP Paribas on 1 October 2007, stock option plans granted by BNL between 1999 and 2001 entitle beneficiaries to subscribe to BNP Paribas shares as of the date of the merger. Beneficiaries may subscribe to the shares based on a ratio of 1 BNP Paribas share for 27 BNL shares. The exercise price has been adjusted in line with this ratio.

- Performance share plans

Characteristics of the plan						Number of shares outstanding at end of period [2]
Originating company	Date of grant	Number of grantees	Number of shares granted	Vesting date of share granted	Expiry date of holding period for shares granted	
BNP Paribas SA [1]	06/04/2009	2,247	359,930	10/04/2012	10/04/2014	663
BNP Paribas SA	06/04/2009	1,686	278,325	08/04/2013	08/04/2013	679
BNP Paribas SA	05/03/2010	2,536	510,445	05/03/2013	05/03/2015	560
BNP Paribas SA	05/03/2010	2,661	487,570	05/03/2014	05/03/2014	409,449
BNP Paribas SA	04/03/2011	2,574	541,415	04/03/2014	04/03/2016	523,280
BNP Paribas SA	04/03/2011	2,743	499,035	04/03/2015	04/03/2015	472,479
BNP Paribas SA	06/03/2012	2,610	1,072,480	09/03/2015	09/03/2017	1,043,745
BNP Paribas SA	06/03/2012	2,755	849,455	07/03/2016	07/03/2016	813,765
Total shares outstanding at end of period						**3,264,620**

[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

	Year to 31 Dec. 2013		Year to 31 Dec. 2012	
	Number of options	Weighted average exercise price (in euros)	Number of options	Weighted average exercise price (in euros)
Options outstanding at 1 January	**25,458,221**	**59.24**	**27,509,625**	**58,67**
Options exercised during the period	(2,900,848)	37.16	(581,181)	36.07
Options expired during the period	(5,115,980)	-	(1,470,223)	-
Options outstanding at 31 December	**17,441,393**	**63.11**	**25,458,221**	**59.24**
Options exercisable at 31 December	**12,983,643**	**66.31**	**18,605,666**	**63.55**

The average quoted stock market price over the option exercise period in 2013 was EUR 46.25 (EUR 41.99 in 2012).

- Performance share plans

	Year to 31 Dec. 2013	Year to 31 Dec. 2012
	Number of shares	Number of shares
Shares outstanding at 1 January	**4,127,061**	**2,633,568**
Shares granted during the period	-	1,921,935
Shares vested during the period	(676,025)	(351,808)
Shares expired during the period	(186,416)	(76,634)
Shares outstanding at 31 December	**3,264,620**	**4,127,061**

SHARES SUBSCRIBED OR PURCHASED BY EMPLOYEES UNDER THE COMPANY SAVINGS PLAN

	Year to 31 Dec. 2012
Date of plan announcement	03 May 2012
Quoted price of BNP Paribas shares at the plan announcement date (in euros)	30.15
Number of shares issued	4,289,709
Subscription price (in euros)	25.00
Five-year risk-free interest rate	1.67%
Five-year borrowing rate	7.52%
Fair value-based cost of the mandatory holding period	29.00%

In 2013, no subscription or purchase plans have been granted to employees under the Company Savings Plan.

8. ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

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

	Proprietary transactions		Trading transactions [1]		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2011	**15,964,748**	**559**	**(6,080,030)**	**(184)**	**9,884,718**	**375**
Acquisitions	1,743,249	58			1,743,249	58
Disposals	(1,823,004)	(59)			(1,823,004)	(59)
Shares delivered to employees	(352,306)	(15)			(352,306)	(15)
Capital decrease	(12,034,091)	(378)			(12,034,091)	(378)
Other movements	(920)	-	4,714,581	126	4,713,661	126
Shares held at 31 December 2012	**3,497,676**	**165**	**(1,365,449)**	**(58)**	**2,132,227**	**107**
Acquisitions	2,646,201	119			2,646,201	119
Disposals	(2,639,701)	(117)			(2,639,701)	(117)
Shares delivered to employees	(676,025)	(29)			(676,025)	(29)
Other movements	(29,209)	-	989,869	36	960,660	36
Shares held at 31 December 2013	**2,798,942**	**138**	**(375,580)**	**(22)**	**2,423,362**	**116**

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

At 31 December 2013, the BNP Paribas group was a net buyer of 2,423,362 BNP Paribas shares representing an amount of EUR 116 million, which was recognised as a reduction in equity.

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

Under the Bank's market-making agreement relating to the BNP Paribas share on the Italian market, and in line with the Code of Ethics recognised by the AMF, made with Exane BNP Paribas, BNP Paribas SA bought back 2,646,201 shares in 2013 at an average share price of EUR 45.03, and sold 2,639,701 shares at an average share price of EUR 45.17. At 31 December 2013, 156,332 shares worth EUR 8.4 million were held by BNP Paribas under this agreement.

From 1 January 2013 to 31 December 2013, 676,025 performance shares were delivered following the definitive award of free shares to their beneficiaries.

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

- Preferred shares issued by the Group's foreign subsidiaries

In January 2003, BNP Paribas Capital Trust VI, a subsidiary under the exclusive control of the Group, had made a EUR 700 million issue of non-voting undated non-cumulative preferred shares governed by the laws of the United States, which did not dilute BNP Paribas ordinary shares. The shares paid a fixed-rate dividend for a period of ten years. They were redeemable after a ten-year period, and thereafter at each coupon date. These shares have been redeemed in 2013.

In 2012, EUR 660 million of preferred shares of the same type as those described above were redeemed.

In 2003 and 2004, the LaSer-Cofinoga sub-group, which is proportionately consolidated by BNP Paribas made three issues of undated non-voting preferred shares through special purpose entities governed by UK law and exclusively controlled by the LaSer-Cofinoga sub-group. These shares pay a non-cumulative preferred dividend for a ten-year period, at a fixed rate for those issued in 2003 and an indexed rate for the 2004 issue. After this ten-year period, they will be redeemable at par at the issuer's discretion at the end of each quarter on the coupon date, and the dividend payable on the 2003 issue will become Euribor-indexed.

In October 2012, EUR 45 million of the 2003 issue were repurchased. In March 2013, the outstanding issue amount was reimbursed.

Issuer	Date of issue	Currency	Amount (in millions of euros)	Rate and term before 1st call date		Rate after 1st call date
Cofinoga Funding II LP	January and May 2004	EUR	80 (1)	TEC 10 (2) +1.35%	10 years	TEC 10 (2) + 1.35%
Total at 31 December 2013			**40** (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) After application of the proportional consolidation rate of Cofinoga

The proceeds of these issues are recorded under "Minority interests" in the balance sheet, and the dividends are reported under "Minority interests" in the profit and loss account.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas SA has issued Undated Super Subordinated Notes which pay a fixed or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date. Some of these issues will pay a coupon indexed to Euribor or Libor if the notes are not redeemed at the end of this period.

On 11 September 2013, on its first call date, a September 2008 issue was redeemed. This issue amounted to EUR 650 million and paid a fixed rate coupon of 8.667%.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
June 2005	USD	1,070	semi-annual	5.186%	10 years	USD 3-month Libor + 1.680%
October 2005	EUR	1,000	annual	4.875%	6 years	4.875%
October 2005	USD	400	annual	6.25%	6 years	6.250%
April 2006	EUR	549	annual	4.73%	10 years	3-month Euribor + 1.690%
April 2006	GBP	450	annual	5.945%	10 years	GBP 3-month Libor + 1.130%
July 2006	EUR	150	annual	5.45%	20 years	3-month Euribor + 1.920%
July 2006	GBP	163	annual	5.945%	10 years	GBP 3-month Libor + 1.810%
April 2007	EUR	638	annual	5.019%	10 years	3-month Euribor + 1.720%
June 2007	USD	600	quarterly	6.5%	5 years	6.50%
June 2007	USD	1,100	semi-annual	7.195%	30 years	USD 3-month Libor + 1.290%
October 2007	GBP	200	annual	7.436%	10 years	GBP 3-month Libor + 1.850%
June 2008	EUR	500	annual	7.781%	10 years	3-month Euribor + 3.750%
September 2008	EUR	100	annual	7.57%	10 years	3-month Euribor + 3.925%
December 2009	EUR	2	quarterly	3-month Euribor + 3.750%	10 years	3-month Euribor + 4.750%
December 2009	EUR	17	annual	7.028%	10 years	3-month Euribor + 4.750%
December 2009	USD	70	quarterly	USD 3-month Libor + 3.750%	10 years	USD 3-month Libor + 4.750%
December 2009	USD	0.5	annual	7.384%	10 years	USD 3-month Libor + 4.750%
Total euro-equivalent value at 31 December 2013		**6,614** [(1)]				

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

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes if no dividends were paid on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents in the previous year. Unpaid interest is not carried forward.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital – which is not fully offset by a capital increase or any other equivalent measure – the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount. However, in the event of the liquidation of BNP Paribas SA, the amount due to the holders of these notes will represent their original nominal value irrespective of whether or not their nominal value has been reduced.

The proceeds from these issues are recorded in equity under “Capital and retained earnings”. In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2013, the BNP Paribas Group held EUR 15 million of Undated Super Subordinated Notes which were deducted from shareholders’ equity.

- **Earnings per share**

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

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

	Year to 31 Dec. 2013	Year to 31 Dec. 2012 (1)
Net income used to calculate basic and diluted earnings per ordinary share *(in millions of euros)* (2)	**4,580**	**6,282**
Weighted average number of ordinary shares outstanding during the year	**1,241,250,435**	**1,214,528,487**
Effect of potentially dilutive ordinary shares	2,957,952	2,083,716
- Stock subscription option plan (3)	416,584	-
- Performance share attribution plan (3)	2,541,368	2,054,507
- Stock purchase plan	-	29,209
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,244,208,387**	**1,216,612,203**
Basic earnings per share (in euros)	**3.69**	**5.17**
Diluted earnings per share (in euros)	**3.68**	**5.16**

(1) Restated according to the amendment to IAS 19 (see notes 1.a and 2).

(2) Net income used to calculate basic and diluted earnings per share is net income attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends.

(3) See note 7.e Share-base payment for the description of share-based plans and performance share attribution plans.

The dividend per share paid in 2013 out of 2012 net income amounted to EUR 1.50 compared with EUR 1.20 per share paid in 2012 out of 2011 net income.

8.b SCOPE OF CONSOLIDATION

		31 December 2013				31 December 2012			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Consolidating company									
BNP Paribas SA	France								
BNP Paribas SA (Argentina branch)	Argentina	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Australia branch)	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Bahrain branch)	Bahrain	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Belgium branch)	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Bulgaria branch)	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (China branch)	China	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Germany branch)	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Greece branch)	Greece				S1	Full	100%	100%	
BNP Paribas SA (Hong Kong branch)	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Hungary branch)	Hungary	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (India branch)	India	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Ireland branch)	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Italy branch)	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Japan branch)	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Jersey branch)	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Kuwait branch)	Kuwait	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Luxembourg branch)	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Malaysia branch)	Malaysia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Monaco branch)	Monaco	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Netherlands branch)	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Norway branch)	Norway	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Panama branch)	Panama	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Philippines branch)	Philippines	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Poland branch)	Poland	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Portugal branch)	Portugal	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Qatar branch)	Qatar	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Republic of Korea branch)	Rep. of Korea	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Saudi Arabia branch)	Saudi Arabia	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Singapore branch)	Singapore	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (South Africa branch)	South Africa	Full	100%	100%	E2				
BNP Paribas SA (Spain branch)	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Taiwan branch)	Taiwan	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Thailand branch)	Thailand	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (U.S.A branch)	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (UK branch)	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (United Arab Emirates branch)	United Arab Emirates	Full	100%	100%		Full	100%	100%	
BNP Paribas SA (Viet Nam branch)	Viet Nam	Full	100%	100%		Full	100%	100%	
Retail Banking									
Domestic Markets									
Retail Banking - France									
Banque de Wallis et Futuna	Wallis & Futuna	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
BNP Paribas Developpement	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Factor	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Factor (Spain branch)	Spain	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Factor Portugal	Portugal	Full	100%	100%		Full	100%	100%	
BNP Paribas Guadeloupe	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Martinique	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Nouvelle Caledonie	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Réunion	France	Full (1)	100%	100%		Full (1)	100%	100%	
Fortis Commercial Finance SAS	France								S4
Retail Banking - Belgium									
Alpha Card SCRL (Group)	Belgium	Equity	50,0%	50,0%	V1	Equity	50,0%	37,5%	
Belgian Mobile Wallet	Belgium	Equity *	50,0%	50,0%	E2				
BNP Paribas Commercial Finance Ltd.	UK	Full	100%	99,9%	V1&D1	Equity *	100%	74,9%	
BNP Paribas Factor Deutschland BV (ex- Fortis Commercial Finance Deutschland BV)	Netherlands	Full	100%	99,9%	V1&D1	Equity *	100%	74,9%	
BNP Paribas Factor GmbH	Germany	Full	100%	99,9%	V1&D1	Equity *	100%	74,9%	
BNP Paribas Factoring Coverage Europe Holding NV (ex- Fortis Commercial Finance Holding NV)	Netherlands	Full	100%	99,9%	V1	Full	100%	74,9%	
BNP Paribas Fortis	Belgium	Full	99,9%	99,9%	V1	Full	74,9%	74,9%	
BNP Paribas Fortis (Austria branch)	Austria	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Cayman Islands branch)	Cayman Islands	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Czech Republic branch)	Czech Republic	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Denmark branch)	Denmark	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Germany branch)	Germany	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Greece branch)	Greece				S1	Full	100%	74,9%	
BNP Paribas Fortis (Netherlands branch)	Netherlands	Full	100%	99,9%	E2				
BNP Paribas Fortis (Norway branch)	Norway	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Portugal branch)	Portugal				S1	Full	100%	74,9%	
BNP Paribas Fortis (Romania branch)	Romania	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Spain branch)	Spain	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (Sweden branch)	Sweden	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (U.S.A branch)	U.S.A	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis (UK branch)	UK	Full	100%	99,9%		Full	100%	74,9%	
BNP Paribas Fortis Factor	Belgium								S4
BNP Paribas Fortis Factor NV	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	
BNP Paribas Fortis Funding SA	Luxembourg	Full	100%	99,9%	V1	Full	100%	74,9%	
Bpost banque	Belgium	Prop.	50,0%	50,0%	V1	Prop.	50,0%	37,5%	
Demetris NV	Belgium	Equity *	100%	99,9%	V1	Equity *	100%	74,9%	
Europay Belgium	Belgium								S3
Retail Banking - Belgium (cont'd)									
Fortis Finance Belgium S.C.R.L.	Belgium				S1	Full	100%	74,9%	
FV Holding N.V.	Belgium				S3	Equity	40,0%	30,0%	
Immobilière Sauvenière SA	Belgium	Equity *	100%	99,9%	V1	Equity *	100%	74,9%	
Special Purpose Entities									
BASS Master Issuer NV	Belgium	Full	-	-		Full	-	-	
Esmée Master Issuer	Belgium	Full	-	-		Full	-	-	
Retail Banking - Luxembourg									
BGL BNP Paribas	Luxembourg	Full	66,0%	65,9%	V1	Full	66,0%	53,4%	
BGL BNP Paribas (Germany branch)	Germany	Full	100%	65,9%	E2				
BGL BNP Paribas Factor SA	Luxembourg	Full	100%	65,9%	V1	Full	100%	53,4%	E1
BNP Paribas Lease Group Luxembourg SA	Luxembourg	Full	100%	65,9%	V1	Full	100%	53,4%	V2
Cofhylux SA	Luxembourg	Full	100%	65,9%	V1	Full	100%	53,4%	
Société Alsacienne de développement et d'expansion	France	Full	100%	65,9%	V1	Full	100%	53,4%	
Special Purpose Entities									
Société Immobilière de Monterey SA	Luxembourg	Full	-	-	E2				
Société Immobilière du Royal Building SA	Luxembourg	Full	-	-	E2				
Retail Banking - Italy (BNL Banca Commerciale)									
Artigiancassa SPA	Italy	Full	73,9%	73,9%		Full	73,9%	73,9%	
Banca Nazionale del Lavoro SPA	Italy	Full	100%	100%		Full	100%	100%	
BNL Finance SPA	Italy	Full	100%	100%		Full	100%	100%	
BNL Positivity SRL	Italy	Full	51,0%	51,0%		Full	51,0%	51,0%	
BNP Paribas Personal Finance SPA	Italy								S4
International Factors Italia SPA - Ifitalia	Italy	Full	99,6%	99,6%		Full	99,6%	99,6%	
Special Purpose Entities									
EMF IT-2008-1 SRL	Italy	Full	-	-		Full	-	-	
Vela ABS SRL	Italy	Full	-	-		Full (2)	-	-	
Vela Home SRL	Italy	Full	-	-		Full	-	-	
Vela Mortgages SRL	Italy	Full	-	-		Full	-	-	
Vela OBG SRL	Italy	Full	-	-		Full	-	-	E1
Vela Public Sector SRL	Italy	Full	-	-		Full	-	-	
Arval									
Arval A/S	Denmark	Equity *	100%	100%	E1				
Arval Austria GmbH	Austria	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
Arval Benelux BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval Brasil Limitada	Brazil	Full	100%	100%		Full	100%	100%	
Arval Business Services Ltd.	UK				S3	Full	100%	100%	
Arval BV	Netherlands	Full	100%	100%		Full	100%	100%	
Arval China Co Ltd.	China	Equity *	100%	100%	E1				
Arval CZ SRO	Czech Republic	Full	100%	100%		Full	100%	100%	
Arval Deutschland GmbH	Germany	Full	100%	100%		Full	100%	100%	
Arval ECL	France	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Hellas Car Rental SA	Greece	Equity *	100%	100%		Equity *	100%	100%	
Arval India Private Ltd.	India	Equity *	100%	100%		Equity *	100%	100%	
Arval Ltd.	UK				S3	Full	100%	100%	
Arval Luxembourg SA	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Magyarorszag KFT	Hungary	Equity *	100%	100%		Equity *	100%	100%	
Arval Maroc SA	Morocco	Equity *	100%	89,0%		Equity *	100%	89,0%	D1
Arval NV	Belgium								S3
Arval PHH Holdings Ltd.	UK				S3	Full	100%	100%	
Arval PHH Holdings UK Ltd.	UK				S3	Full	100%	100%	
Arval OOO	Russia	Full	100%	100%		Full	100%	100%	
Arval Oy	Finland	Equity *	100%	100%	E1				
Arval Schweiz AG	Switzerland	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Service Gmbh	Germany				S4	Full	100%	100%	
Arval Service Lease	France	Full	100%	100%		Full	100%	100%	
Arval Service Lease Aluger Operational Automoveis SA	Portugal	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Service Lease Italia S. p. A.	Italy	Full	100%	100%		Full	100%	100%	
Arval Service Lease Polska sp. z o. o.	Poland	Full	100%	100%		Full	100%	100%	
Arval Service Lease Romania SRL	Romania	Equity *	100%	100%		Equity *	100%	100%	
Arval Service Lease SA	Spain	Full	100%	100%		Full	100%	100%	
Arval Slovakia	Slovakia	Equity *	100%	100%		Equity *	100%	100%	D1
Arval Trading	France	Equity *	100%	100%		Equity *	100%	100%	D1
Arval UK Group Ltd.	UK	Full	100%	100%		Full	100%	100%	
Arval UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
Autovalley	France	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Fleet Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Cofiparc	France	Full	100%	100%		Full	100%	100%	
Gestion et Location Holding	France				S4	Full	100%	100%	
Greenval Insurance Company Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
PHH Financial services Ltd.	UK				S3	Full	100%	100%	
Public Location Longue Durée (ex- Dexia Location Longue Durée)	France	Equity *	100%	100%	V1	Equity *	51,0%	51,0%	
TEB Arval Arac Filo Kiralama AS	Turkey	Full	100%	75,0%	D4	Full	75,0%	68,7%	
Leasing Solutions									
Ace Equipment Leasing	Belgium	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Ace Leasing	Belgium	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Ace Leasing BV	Netherlands				S4	Full	100%	76,7%	V2
Agrilease BV	Netherlands	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Albury Asset Rentals Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
All In One Vermietungsgesellschaft für Telekommunicationsanlagen mbH.	Germany	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
All In One Vermietung GmbH	Austria	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2

Changes in the scope of consolidation

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 105 Construction-Sale Companies (Real Estate programmes) of which 94 fully and 11 proportionally consolidated
D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).
D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

Name	Country	31 December 2013 Method	Voting (%)	Interest (%)	Ref.	31 December 2012 Method	Voting (%)	Interest (%)	Ref.
Leasing Solutions (cont'd)									
Aprolis Finance	France	Full	51,0%	42,3%	V1	Full	51,0%	39,1%	V2
Aprolis Finance (Romania branch)	Romania	Full	100%	42,3%		Full	51,0%	39,1%	
Arius	France	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Artegy Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Artegy	France	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Barloworld Heftruck BV	Netherlands	Equity	50,0%	41,5%	V1	Equity	50,0%	38,4%	V2
BNP Paribas Finansal Kiralama AS	Turkey	Full	100%	82,3%	V1	Full	100%	75,8%	V2
BNP Paribas Lease Group BPLG	France	Full (1)	100%	83,0%	V1	Full (1)	100%	76,7%	V2
BNP Paribas Lease Group BPLG (Germany branch)	Germany	Full (1)	100%	83,0%		Full (1)	100%	76,7%	
BNP Paribas Lease Group BPLG (Italy branch)	Italy	Full (1)	100%	83,0%		Full (1)	100%	76,7%	
BNP Paribas Lease Group BPLG (Portugal branch)	Portugal	Full (1)	100%	83,0%		Full (1)	100%	76,7%	
BNP Paribas Lease Group BPLG (Spain branch)	Spain	Full (1)	100%	83,0%		Full (1)	100%	76,7%	
BNP Paribas Lease Group (Rentals) Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Lease Group IFN SA	Romania	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
BNP Paribas Lease Group KFT	Hungary	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
BNP Paribas Lease Group Leasing Solutions SPA	Italy	Full	100%	95,5%	V1	Full	100%	93,9%	V2
BNP Paribas Lease Group Lizing RT	Hungary	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
BNP Paribas Lease Group Netherlands BV	Netherlands				S4	Full	100%	76,7%	V2
BNP Paribas Lease Group Polska SP z.o.o	Poland	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
BNP Paribas Lease Group PLC	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Lease Group SA Belgium	Belgium	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Leasing Solutions	Luxembourg	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Leasing Solutions Immobilier Suisse	Switzerland	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
BNP Paribas Leasing Solutions Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Leasing Solutions NV	Netherlands	Full	100%	83,0%	V1	Full	100%	76,7%	V2
BNP Paribas Leasing Solutions Suisse SA	Switzerland	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2&D1
Claas Financial Services	France	Full (1)	60,1%	49,9%	V1	Full (1)	60,1%	46,1%	V2
Claas Financial Services (Germany branch)	Germany	Full (1)	100%	49,9%		Full (1)	100%	46,1%	
Claas Financial Services (Italy branch)	Italy	Full (1)	100%	49,9%		Full (1)	100%	46,1%	
Claas Financial Services (Poland branch)	Poland	Full (1)	100%	49,9%		Full (1)	100%	46,1%	
Claas Financial Services (Spain branch)	Spain	Full (1)	100%	49,9%		Full (1)	100%	46,1%	
Claas Financial Services Inc.	U.S.A	Full	100%	49,9%	V1	Full	100%	46,1%	V2
Claas Financial Services Ltd.	UK	Full	51,0%	42,3%	V1	Full	51,0%	39,1%	V2
CNH Capital Europe	France	Full (1)	50,1%	41,6%	V1	Full (1)	50,1%	38,4%	V2
CNH Capital Europe (Belgium branch)	Belgium	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
CNH Capital Europe (Germany branch)	Germany	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
CNH Capital Europe (Italy branch)	Italy	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
CNH Capital Europe (Spain branch)	Spain	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
CNH Capital Europe BV	Netherlands	Full	100%	41,6%	V1	Full	100%	38,4%	V2
CNH Capital Europe GmbH	Austria	Full	100%	41,6%	V1	Full	100%	38,4%	V2
CNH Capital Europe Ltd.	UK	Full	100%	41,6%	V1	Full	100%	38,4%	V2
Commercial Vehicle Finance Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Equipment Lease BV	Netherlands				S4	Full	100%	76,7%	V2
ES-Finance	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	V2
Fortis Lease Belgium	Belgium	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Fortis Lease (France)	France	Full (1)	100%	83,0%	V1	Full (1)	100%	76,7%	V2
Fortis Lease Car & Truck	Belgium	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Fortis Lease Deutschland GmbH	Germany	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
Fortis Lease Group Services	Belgium								V2&S3
Fortis Lease Hungaria Equipment Financing Financial Leasing Company	Hungary								S3
Fortis Lease Hungaria Vehicle Financing Financial Leasing Company	Hungary								S3
Fortis Lease Iberia SA	Spain	Equity *	100%	86,6%	V1	Equity *	100%	76,3%	V2
Fortis Lease Operativ Lizing Zartkoruen Mukodo Reszvenytarsasag	Hungary	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
Fortis Lease Polska Sp.z.o.o.	Poland	Full	100%	99,8%	V1	Full	100%	74,9%	
Fortis Lease Portugal	Portugal	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
Fortis Lease Romania IFN SA	Romania	Equity *	100%	83,0%	V1	Equity *	100%	76,7%	V2
Fortis Lease UK Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Fortis Lease UK (1) Ltd.	UK								S3
Fortis Lease UK Retail Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Fortis Vastgoedlease BV	Netherlands	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Hans Van Driel Rental BV	Netherlands								S2
H.F.G.L Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Humberclyde Commercial Investments Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Humberclyde Commercial Investments N°1 Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Humberclyde Finance Ltd.	UK								S1
Humberclyde Industrial Finance Ltd.	UK								S1
JCB Finance	France	Full (1)	100%	41,6%	V1	Full (1)	100%	38,4%	V2
JCB Finance (Germany branch)	Germany	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
JCB Finance (Italy branch)	Italy	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
JCB Finance (Spain branch)	Spain	Full (1)	100%	41,6%		Full (1)	100%	38,4%	
JCB Finance Holdings Ltd.	UK	Full	50,1%	41,6%	V1	Full	50,1%	38,4%	V2
Locatrice Italiana SPA	Italy	Equity *	100%	95,5%	V1	Equity *	100%	93,9%	V2
Manitou Finance Ltd.	UK	Full	51,0%	42,3%	V1	Full	51,0%	39,1%	V2
MFF	France	Full (1)	51,0%	42,3%	V1	Full (1)	51,0%	39,1%	V2
Natiocrédibail	France	Full (1)	100%	100%		Full (1)	100%	100%	V1
Natiocrédimurs	France	Full (1)	100%	100%		Full (1)	100%	100%	V1
Natioénergie 2 (ex- Natioénergie)	France	Equity *	100%	100%	D1	Full (1)	100%	100%	V1
Paricomi 2	France								S3
Same Deutz Fahr Finance Ltd.	UK	Full	100%	83,0%	V1	Full	100%	76,7%	V2
Same Deutz-Fahr Finance	France	Full (1)	100%	83,0%	V1	Full (1)	100%	76,7%	V2
SREI Equipement Finance Private Ltd.	India	Prop.	50,0%	41,5%	V1	Prop.	50,0%	38,4%	V2
UFB Asset Finance Ltd.	UK								S1
Special Purpose Entities									
Fortis Energy Leasing XI BV	Netherlands				S4	Full	-	-	V2
Fortis Energy Leasing X2 BV	Netherlands				S4	Full	-	-	V2
Special Purpose Entities (cont'd)									
Fortis Energy Leasing XIV BV	Netherlands				S4	Full	-	-	V2
Vela Lease SRL	Italy	Full	-	-		Full	-	-	
Personal Investors									
B*Capital	France	Full (1)	100%	99,9%		Full (1)	100%	99,9%	
Cortal Consors	France	Full (1)	100%	100%		Full (1)	100%	100%	
Cortal Consors (Germany branch)	Germany	Full (1)	100%	100%		Full (1)	100%	100%	
Cortal Consors (Italy branch)	Italy				S1	Full (1)	100%	100%	
Cortal Consors (Spain branch)	Spain	Full (1)	100%	100%		Full (1)	100%	100%	
Geojit BNP Paribas Financial Services Ltd (Group)	India	Prop.	33,6%	33,6%		Prop.	33,6%	33,6%	
Geojit Technologies Private Ltd.	India	Full	56,8%	56,8%		Full	56,8%	56,8%	
Portzamparc Gestion	France	Full	100%	51,0%		Full	100%	51,0%	
Portzamparc société de Bourse	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
BNP Paribas Personal Finance									
Alpha Crédit SA	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	
Axa Banque Financement	France	Equity	35,0%	35,0%		Equity	35,0%	35,0%	
Banco BGN SA	Brazil	Full	100%	100%		Full	100%	100%	
Banco BNP Paribas Personal Finance SA	Portugal	Full	100%	100%		Full	100%	100%	
Banco Cetelem Argentina SA	Argentina	Full	100%	100%		Full	100%	100%	
Banco Cetelem SA	Spain	Full	100%	100%		Full	100%	100%	
Banco de Servicios Financieros SA	Argentina	Equity	39,9%	39,9%		Equity	39,9%	39,9%	
BGN Mercantil E Servicos Ltda	Brazil	Equity *	100%	100%		Equity *	100%	100%	E1
Bieffe 5 SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance EAD	Bulgaria	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Personal Finance SA de CV	Mexico	Full	100%	100%		Full	100%	100%	
Cafineo	France	Full (1)	51,0%	50,8%		Full (1)	51,0%	50,8%	
Carrefour Banque	France	Equity	39,2%	39,2%		Equity	39,2%	39,2%	
Carrefour Promotora de Vendas e Participaçoes (CPVP) Limitada	Brazil								S2
Cetelem Algérie	Algeria	Equity *	100%	100%		Equity *	100%	100%	D1
Cetelem America Ltda	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem Bank LLC (ex- BNP Paribas Vostok LLC)	Russia	Equity	26,0%	26,0%	V2	Equity	30%	30%	V2
Cetelem Benelux BV	Netherlands								S1
Cetelem Brasil SA	Brazil	Full	100%	100%		Full	100%	100%	
Cetelem CR AS	Czech Republic	Full	100%	100%		Full	100%	100%	
Cetelem IFN	Romania	Full	100%	100%		Full	100%	100%	
Cetelem Latin America Holding Participaçoes Ltda	Brazil				S4	Full	100%	100%	
Cetelem Serviços Ltda	Brazil	Full	100%	100%	E1				
Cetelem Slovensko AS	Slovakia	Full	100%	100%		Full	100%	100%	
CMV Médiforce	France	Full (1)	100%	100%		Full (1)	100%	100%	
Cofica Bail	France	Full (1)	100%	100%		Full (1)	100%	100%	
Cofiplan	France	Full (1)	100%	100%		Full (1)	100%	100%	
Commerz Finanz	Germany	Full	50,1%	50,1%		Full	50,1%	50,1%	
Cosimo	France				S3	Full	100%	100%	
Credirama SPA	Italy				S3	Equity *	51,0%	51,0%	
Credisson Holding Ltd.	Cyprus								S1
Crédit Moderne Antilles Guyane	France	Full (1)	100%	100%		Full (1)	100%	100%	
Crédit Moderne Océan Indien	France	Full (1)	97,8%	97,8%		Full (1)	97,8%	97,8%	
Direct Services	Bulgaria	Full	100%	100%		Full	100%	100%	
Domofinance	France	Full (1)	55,0%	55,0%		Full (1)	55,0%	55,0%	
Effico	France	Full	100%	100%		Full	100%	100%	
Effico Iberia SA	Spain	Equity *	100%	100%	D1	Full	100%	100%	
Effico Portugal	Portugal				S2	Equity *	100%	100%	
Eos Aremas Belgium SA	Belgium	Equity	50,0%	49,9%	V1	Equity	50,0%	37,4%	
Eurocredito EFC SA	Spain	Full	100%	100%		Full	100%	100%	
Facet	France	Full (1)	100%	100%		Full (1)	100%	100%	
Fidem	France	Full (1)	100%	100%	V1	Full (1)	51,0%	51,0%	
Fimestic Expansion SA	Spain	Full	100%	100%		Full	100%	100%	
Finalia	Belgium				S4	Full	100%	74,9%	V1
Findomestic Banca SPA	Italy	Full	100%	100%		Full	100%	100%	
Findomestic Banka AD	Serbia	Full	100%	100%		Full	100%	100%	
Gesellschaft für Capital & Vermögensverwaltung Gmbh (GCV)	Germany	Equity *	100%	99,9%	E1				
Inkasso Kodat Gmbh & Co KG	Germany	Equity *	100%	99,9%	E1				
LaSer - Cofinoga (Group)	France	Prop.	50,0%	50,0%		Prop.	50,0%	50,0%	
Leval 20	France	Full	100%	100%		Full	100%	100%	E1
Loisirs Finance	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Magyar Cetelem Bank Zrt	Hungary	Full	100%	100%		Full	100%	100%	
Natixis Financement	France								S2
Nissan Finance Belgium NV	Belgium	Full	100%	99,9%	V1	Full	100%	75,4%	V2
Norrsken Finance	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Oney Magyarorszag Zrt	Hungary	Equity	40,0%	40,0%	E1				
Prestacomer SA de CV	Mexico				S3	Full	100%	100%	
Prêts et Services SAS	France	Full (1)	100%	100%		Full (1)	100%	100%	
Projeo	France	Full (1)	51,0%	51,0%		Full (1)	51,0%	51,0%	
Servicios Financieros Carrefour EFC	Spain	Equity	37,3%	39,9%		Equity	37,3%	39,9%	
Submarino Finance Promotora de Credito Limitada	Brazil								S2
Sundaram BNP Paribas Home Finance Ltd.(ex-Sundaram Home Finance Ltd.)	India	Equity *	49,9%	49,9%		Equity *	49,9%	49,9%	
TEB Tuketici Finansman AS	Turkey	Full	100%	92,8%	D4	Full	92,8%	91,0%	
UCB Ingatlanhitel RT	Hungary	Full	100%	100%		Full	100%	100%	
UCB Suisse	Switzerland				S4	Full	100%	100%	
Union de Creditos Inmobiliarios - UCI (Group)	Spain	Prop.	50,0%	50,0%		Prop.	50,0%	50,0%	
Von Essen GmbH & Co. KG Bankgesellschaft	Germany	Full	100%	99,9%	V1	Full	100%	74,9%	
Special Purpose Entities									
Autonoria 2012 - 1 et 2	France	Full	-	-		Full	-	-	E2
Domos 2011 - A et B	France	Full	-	-		Full	-	-	

Changes in the scope of consolidation

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

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

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 105 Construction-Sale Companies (Real Estate programmes) of which 94 fully and 11 proportionally consolidated
D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).
D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

Name	Country	31 December 2013				31 December 2012			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Special Purpose Entities (cont'd)									
FCC Retail ABS Finance - Noria 2008	France								S1
FCC Retail ABS Finance - Noria 2009	France	Full	-	-		Full	-	-	
FCC Domos 2008	France	Full	-	-		Full	-	-	
FCC Master Domos	France								S1
FCC U.C.I 5 -18	Spain	Prop.	-	-		Prop.	-	-	
Fideicomiso Financiero Cetelem II et III	Argentina	Full	-	-	E2				
Florence 1 SRL (ex- Viola Finanza SRL)	Italy	Full	-	-		Full	-	-	
Florence SPV SRL	Italy	Full	-	-	E2				
Fundo de Investimento EM Direitos Creditorios BGN Life	Brazil				S1	Full	-	-	
Fundo de Investimento EM Direitos Creditorios BGN Premium	Brazil								S1
Phedina Hypotheken 2010 BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2011-I BV	Netherlands	Full	-	-		Full	-	-	
Phedina Hypotheken 2013-I BV	Netherlands	Full	-	-	E2				
International Retail Banking									
Retail Banking in the United States of America									
1897 Services Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
521 South Seventh Street LLC	U.S.A								S1
BancWest Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Bancwest Investment Services, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Bank of the West Business Park Association LLC	U.S.A	Full	38,0%	38,0%		Full	38,0%	38,0%	
Bank of the West	U.S.A	Full	100%	100%		Full	100%	100%	
Bank of the West (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
Bishop Street Capital Management Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BW Insurance Agency, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BW Leasing, Inc.	U.S.A								S1
Center Club, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
CFB Community Development Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Affordable Housing, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Community Development Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Insurance Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Commercial Federal Investment Service Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Community Service, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Equity Lending Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Essex Credit Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
FHB Guam Trust Co.	U.S.A	Full	100%	100%		Full	100%	100%	
FHL Lease Holding Company Inc.	U.S.A								S1
FHL SPC One, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
First Bancorp	U.S.A	Full	100%	100%		Full	100%	100%	
First Hawaïan Bank	U.S.A	Full	100%	100%		Full	100%	100%	
First Hawaïan Bank (Cayman Islands branch)	Cayman Islands	Full	100%	100%		Full	100%	100%	
First Hawaiian Leasing, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
First National Bancorporation	U.S.A	Full	100%	100%		Full	100%	100%	
First Santa Clara Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Liberty Leasing Company	U.S.A	Full	100%	100%		Full	100%	100%	
Mountain Falls Acquisition Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Real Estate Delivery 2 Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
The Bankers Club, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Ursus Real estate, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Special Purpose Entities									
Claas Financial Services LLC	U.S.A	Full	-	-		Full	-	-	
Commercial Federal Capital Trust 2	U.S.A				S1	Full	-	-	
Commercial Federal Realty Investors Corporation	U.S.A	Full	-	-		Full	-	-	
Commercial Federal Service Corporation	U.S.A	Full	-	-		Full	-	-	
Equipment Lot Bombardier 1997A-FH	U.S.A				S1	Full	-	-	
Equipment Lot FH	U.S.A	Full	-	-		Full	-	-	
Equipment Lot Siemens 1997A-FH	U.S.A				S2	Full	-	-	
Equipment Lot Siemens 1998A-FH	U.S.A	Full	-	-		Full	-	-	
First Hawaiian Capital 1	U.S.A	Full	-	-		Full	-	-	
FTS Acquisitions LLC	U.S.A				S1	Full	-	-	
Glendale Corporate Center Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
LACMTA Rail Statutory Trust (FH1)	U.S.A	Full	-	-		Full	-	-	
Laveen Village Center Acquisition LLC	U.S.A				S1	Full	-	-	
Lexington Blue LLC	U.S.A	Equity	-	-		Equity	-	-	
MNCRC Equipement Lot	U.S.A	Full	-	-		Full	-	-	
NYCTA Equipement Lot	U.S.A				S2	Full	-	-	
Riverwalk Village Three Holdings LLC	U.S.A	Full	-	-		Full	-	-	
Santa Rita Townhomes Acquisition LLC	U.S.A	Full	-	-		Full	-	-	
Southwest Airlines 1993 Trust N363SW	U.S.A	Full	-	-		Full	-	-	
ST 2001 FH-1	U.S.A	Full	-	-		Full	-	-	
SWB 98-1	U.S.A								S1
SWB 99-1	U.S.A	Full	-	-		Full	-	-	
VTA 1998-FH	U.S.A	Full	-	-		Full	-	-	
1997-LRV-FH	U.S.A				S2	Full	-	-	
1999-FH-1 (SNCF)	U.S.A								S1
1999-FH-2 (SNCF)	U.S.A								S1
Europe Mediterranean									
Banque de Nankin	China	Equity	16,2%	16,2%	V1	Equity	14,7%	14,7%	V1
Banque Internationale du Commerce et de l'Industrie Burkina Faso	Burkina Faso	Full	51,0%	51,0%		Full	51,0%	51,0%	
Banque Internationale du Commerce et de l'Industrie Cote d'Ivoire	Ivory Coast	Full	59,8%	59,8%		Full	59,8%	59,8%	
Banque Internationale du Commerce et de l'Industrie Gabon	Gabon	Equity	47,0%	47,0%	V1	Equity	46,7%	46,7%	

Name	Country	31 December 2013				31 December 2012			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Europe Mediterranean (cont'd)									
Banque Internationale du Commerce et de l'Industrie Guinée	Guinea	Equity	40,5%	40,5%	V1	Equity	30,8%	30,8%	
Banque Internationale du Commerce et de l'Industrie Mali	Mali	Full	85,0%	85,0%		Full	85,0%	85,0%	
Banque Internationale du Commerce et de l'Industrie Senegal	Senegal	Full	54,1%	54,1%		Full	54,1%	54,1%	
Banque Marocaine du Commerce et de l'Industrie	Morocco	Full	67,0%	67,0%		Full	67,0%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Assurance	Morocco	Equity *	100%	67,0%		Equity *	100%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Crédit Conso	Morocco	Full	99,9%	66,9%		Full	99,9%	66,9%	
Banque Marocaine du Commerce et de l'Industrie Gestion	Morocco	Equity *	100%	67,0%		Equity *	100%	67,0%	
Banque Marocaine du Commerce et de l'Industrie Leasing	Morocco	Full	86,9%	58,2%	V1	Full	72,0%	48,3%	
Banque Marocaine du Commerce et de l'Industrie Offshore	Morocco	Full	100%	67,0%		Full	100%	67,0%	
BNP Intercontinentale - BNPI	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Bank Polska SA	Poland	Full	99,9%	99,8%	V1	Full	99,9%	74,9%	
BNP Paribas BDDI Participations	France	Full	100%	100%		Full	100%	100%	
BNP Paribas El Djazair	Algeria	Full	100%	100%		Full	100%	100%	
BNP Paribas Fortis Yatirimlar Holding AS	Turkey	Full	100%	99,9%	V1	Full	100%	74,9%	
BNP Paribas SAE	Egypt				S2	Full	95,2%	95,2%	
BNP Paribas Yatirimlar Holding Anonim Sirketi	Turkey	Full	100%	100%		Full	100%	100%	
Dominet SA	Poland	Full	100%	99,9%	V1	Full	100%	74,9%	
Fortis Bank Malta Ltd.	Malta				S3	Equity *	100%	74,9%	
Fortis Faktoring AS	Turkey				S4	Equity *	100%	74,9%	
Fortis Holding Malta BV	Netherlands				S3	Full	100%	74,9%	
Fortis Holding Malta Ltd.	Malta				S3	Full	100%	74,9%	
IC Axa Insurance	Ukraine	Equity *	49,8%	49,8%		Equity *	49,8%	49,8%	
IC Axa Ukraine	Ukraine								S4
Orient Commercial Bank	Viet Nam	Equity	20,0%	20,0%		Equity	20,0%	20,0%	
TEB Faktoring AS	Turkey	Full	70,5%	68,5%	D4				
TEB Holding AS	Turkey	Full	50,0%	50,0%	V1&D4	Prop.	50,0%	37,5%	
TEB Portfoy Yonetimi AS	Turkey	Full	38,6%	37,5%	D4				
TEB Yatirim Menkul Degerler AS	Turkey	Full	70,5%	68,5%	D4				
The Economy Bank NV	Netherlands	Full	96,0%	68,5%	D4				
Turk Ekonomi Bankasi AS	Turkey	Full	96,0%	68,5%	D4				
Turk Ekonomi Bankasi AS (Bahrain branch)	Bahrain	Full	70,5%	68,5%	D4				
TEB SH A	Kosovo	Full	100%	50,0%	D4				
Ukrainian Leasing Company	Ukraine				S3	Equity *	100%	100%	
UkrSibbank	Ukraine	Full	100%	100%		Full	100%	100%	
Union Bancaire pour le Commerce et l'Industrie	Tunisia	Full	50,1%	50,1%	V1	Full	50,0%	50,0%	
Special Purpose Entities									
K-Kollect LLC	Ukraine				S2	Full	-	-	
Investment Solutions									
BNP Paribas Suisse SA	Switzerland	Full	100%	100%		Full	100%	100%	
BNP Paribas Suisse SA (Guernsey branch)	Guernsey	Full	100%	100%		Full	100%	100%	
BNP Paribas Suisse SA (Jersey branch)	Jersey	Full	100%	100%		Full	100%	100%	
Insurance									
AG Insurance (Group)	Belgium	Equity	25,0%	25,0%	V1	Equity	25,0%	18,7%	
BNP Paribas Cardif	France	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif BV	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Emeklilik Anonim Sirketi	Turkey	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Cardif Levensverzekeringen NV	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Pojistovna A.S	Czech Republic	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif PSC Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Cardif Seguros Generales SA	Chile	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Seguros de Vida SA	Chile	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif Schadeverzekeringen NV (ex- Cardif Schadeverzekeringen NV)	Netherlands	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas Cardif TCB Life Insurance Company Ltd. (ex- BNP Paribas Assurance TCB Life Insurance Company Ltd.)	Taiwan	Equity	49,0%	49,0%		Equity	49,0%	49,0%	
BNP Paribas Cardif Vita Compagnia di Assicurazione E Riassicurazione S.P.A.	Italy				S4	Full (3)	100%	100%	
Cardif Assicurazioni SPA	Italy	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers	France	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Austria branch)	Austria	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Germany branch)	Germany	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Italy branch)	Italy	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Japan branch)	Japan	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Poland branch)	Poland	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Romania branch)	Romania	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Spain branch)	Spain	Full (3)	100%	100%		Full (3)	100%	100%	

Changes in the scope of consolidation

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 105 Construction-Sale Companies (Real Estate programmes) of which 94 fully and 11 proportionally consolidated
D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).
D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

Name	Country	31 December 2013 Method	31 December 2013 Voting (%)	31 December 2013 Interest (%)	31 December 2013 Ref.	31 December 2012 Method	31 December 2012 Voting (%)	31 December 2012 Interest (%)	31 December 2012 Ref.
Insurance (cont'd)									
Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie	France	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Austria branch)	Austria	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Belgium branch)	Belgium	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Germany branch)	Germany	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Italy branch)	Italy	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Japan branch)	Japan	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Portugal branch)	Portugal	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Romania branch)	Romania	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Spain branch)	Spain	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Biztosito Magyarorszag Zrt	Hungary	Equity *	100%	100%		Equity *	100%	100%	
Cardif Colombia Seguros Generales	Colombia	Full (3)	100%	100%	D1	Equity *	100%	100%	
Cardif del Peru Sa Compania de Seguros	Peru	Equity *	100%	100%		Equity *	100%	100%	
Cardif do Brasil Vida e Previdencia SA	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif do Brasil Seguros e Garantias	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Forsakring AB	Sweden	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Denmark branch)	Denmark	Equity *	100%	100%		Equity *	100%	100%	
Cardif Forsakring AB (Norway branch)	Norway	Equity *	100%	100%		Equity *	100%	100%	
Cardif Hayat Sigorta Anonim Sirketi	Turkey	Equity *	100%	100%		Equity *	100%	100%	
Cardif Holdings Inc.	U.S.A								S3
Cardif Insurance Company	Russia	Full (3)	100%	100%	D1	Equity *	100%	100%	
Cardif I-Services	France	Equity *	100%	100%		Equity *	100%	100%	
Cardif Leven	Belgium	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Life Insurance Co. Ltd.	Rep. of Korea	Full (3)	85,0%	85,0%		Full (3)	85,0%	85,0%	
Cardif Lux Vie	Luxembourg	Full (3)	66,7%	55,3%	V1	Full (3)	66,7%	51,1%	
Cardif Lux Vie (France branch)	France				S1	Full (3)	100%	51,1%	
Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100%	100%		Equity *	100%	100%	
Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100%	100%		Equity *	100%	100%	
Cardif Nordic AB	Sweden	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Pinnacle Insurance Holdings PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Pinnacle Insurance Management Services PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Polska Towarzystwo Ubezpieczen na Zycie SA	Poland	Full (3)	100%	100%		Full (3)	100%	100%	
Cardif Seguros SA	Argentina	Full (3)	100%	100%		Full (3)	100%	100%	
CB (UK) Ltd. (Fonds C)	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Darnell Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
F&B Insurance Holdings SA (Group)	Belgium	Equity	50,0%	50,0%		Equity	50,0%	50,0%	
Financial Telemarketing Services Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	
GIE BNP Paribas Cardif	France	Full (3)	100%	99,0%		Full (3)	100%	99,0%	
Luizaseg	Brazil	Equity *	50,0%	50,0%		Equity *	50,0%	50,0%	
Natio Assurance	France	Equity *	50,0%	50,0%		Equity *	50,0%	50,0%	
NCVP Participacoes Societarias SA	Brazil	Full (3)	100%	100%		Full (3)	100%	100%	
Pinnacle Insurance PLC	UK	Full (3)	100%	100%		Full (3)	100%	100%	
Pocztylion Arka Powszechne Towarzystwo Emerytalne SA	Poland	Equity	33,3%	33,3%		Equity	33,3%	33,3%	
Poistovna Cardif Slovakia A.S	Slovakia	Equity *	100%	100%		Equity *	100%	100%	
Portes de Claye SCI	France	Equity	45,0%	56,9%	V2	Equity	45,0%	57,2%	E3
Rueil Caudron SCI	France								S3
Scoo SCI	France	Equity	46,4%	58,0%	V2	Equity	46,4%	58,3%	E1
State Bank of India Life Insurance Company Ltd.	India	Equity	26,0%	26,0%		Equity	26,0%	26,0%	
Special Purpose Entities									
Odyssée SCI	France	Full (3)	-	-		Full (3)	-	-	
Wealth Management									
Bank Insinger de Beaufort NV	Netherlands	Full	63,0%	63,0%		Full	63,0%	63,0%	
Bank Insinger de Beaufort NV (UK branch)	UK	Full	100%	63,0%		Full	100%	63,0%	
Bank Insinger de Beaufort Safe Custody NV	Netherlands								S3
BNP Paribas Espana SA	Spain	Full	99,6%	99,6%		Full	99,6%	99,6%	
BNP Paribas Wealth Management	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Wealth Management (Hong Kong branch)	Hong Kong	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Wealth Management (Singapore branch)	Singapore	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Wealth Management Monaco	Monaco	Full (1)	100%	100%		Full (1)	100%	100%	
Conseil Investissement SNC	France	Equity *	100%	100%		Equity *	100%	100%	
Fundamentum Asset Management (FAM)	Luxembourg								S3
Insinger de Beaufort Asset Management AG	Switzerland								S3
Insinger de Beaufort Asset Management NV	Netherlands								S3
Insinger de Beaufort Associates BV	Netherlands								S3
Insinger de Beaufort Consulting BV	Netherlands								S3
Klein Haneveld Consulting BV	Netherlands								S3
Sodefi Holding AG	Switzerland								S3
Investment Partners									
Alfred Berg Administration A/S	Denmark				S2	Full	100%	90,5%	
Alfred Berg Asset Management AB	Sweden	Full	100%	98,3%	V1	Full	100%	90,5%	
Alfred Berg Asset Management AB (Denmark branch)	Denmark	Full	100%	98,3%		Full	100%	90,5%	
Alfred Berg Asset Management AB (Finland branch)	Finland	Full	100%	98,3%		Full	100%	90,5%	
Alfred Berg Asset Management AB (Norway branch)	Norway	Full	100%	98,3%		Full	100%	90,5%	

Name	Country	31 December 2013 Method	31 December 2013 Voting (%)	31 December 2013 Interest (%)	31 December 2013 Ref.	31 December 2012 Method	31 December 2012 Voting (%)	31 December 2012 Interest (%)	31 December 2012 Ref.
Investment Partners (cont'd)									
Alfred Berg Asset Management Services AB	Sweden								S4
Alfred Berg Fonder AB	Sweden	Full	100%	98,3%	V1	Full	100%	90,5%	
Alfred Berg Fondsmaeglerselskab A/S	Denmark				S2	Full	100%	90,5%	
Alfred Berg Forvaltning AS	Norway				S4	Full	100%	90,5%	
Alfred Berg Kapitalförvaltning AB	Sweden	Full	100%	98,3%	V1	Full	100%	90,5%	
Alfred Berg Kapitalforvaltning AS	Norway	Full	100%	98,3%	V1	Full	100%	90,5%	
Alfred Berg Kapitalforvaltning Finland AB	Finland	Full	100%	98,3%	V1	Full	100%	90,5%	
Alfred Berg Rahastoyhtio Oy (ex- Alfred Berg Funds)	Finland	Full	100%	98,3%	V1	Full	100%	90,5%	
Antin Infrastructure Partners	France								S2
Arnhem Investment Management Pty Ltd.	Australia				S3	Equity	40,0%	36,2%	
Banco Estado Administradora General de Fondos	Chile	Equity *	50,0%	49,1%	V1	Equity *	50,0%	45,3%	
BNP Paribas Asset Management SAS	France	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Asset Management SAS (Austria branch)	Austria	Full	100%	98,3%		Full	100%	90,5%	
BNP Paribas Asset Management Brasil Ltda	Brazil	Full	100%	99,6%	V1	Full	100%	97,6%	
BNP Paribas Asset Management Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Asset Management India Private Ltd.	India	Equity *	100%	98,3%	V1	Equity *	100%	90,5%	
BNP Paribas Asset Management Uruguay SA	Uruguay								S3
BNP Paribas Clean Energy Partners GP Ltd.	UK				S2	Equity *	100%	90,5%	
BNP Paribas Investment Partners	France	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Asia Ltd.	Hong Kong	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners (Australia) Ltd.	Australia	Equity *	100%	98,3%	V1&D1	Full	100%	90,5%	
BNP Paribas Investment Partners (Australia) Holdings Pty Ltd.	Australia	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners BE Holding	Belgium	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Belgium	Belgium	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Belgium (Germany branch)	Germany	Full	100%	98,3%		Full	100%	90,5%	
BNP Paribas Investment Partners Funds (Nederland) NV	Netherlands	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Japan Ltd.	Japan	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Latam SA	Mexico	Equity *	99,0%	97,3%	V1	Equity *	99,0%	89,6%	E1
BNP Paribas Investment Partners Luxembourg	Luxembourg	Full	99,7%	98,0%	V1	Full	99,7%	90,2%	
BNP Paribas Investment Partners Netherlands NV	Netherlands	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners NL Holding NV	Netherlands	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners Singapore Ltd.	Singapore	Equity *	100%	98,3%	V1	Equity *	100%	90,5%	
BNP Paribas Investment Partners Societa di Gestione del Risparmio SPA	Italy	Full	100%	99,7%	V1	Full	100%	98,4%	
BNP Paribas Investment Partners UK Holdings Ltd	UK								S3
BNP Paribas Investment Partners UK Ltd.	UK	Full	100%	98,3%	V1	Full	100%	90,5%	
BNP Paribas Investment Partners USA Holdings Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Private Equity	France	Equity *	100%	100%		Equity *	100%	100%	
CamGestion	France	Full	100%	98,3%	V1	Full	100%	90,5%	
Fauchier General Partner Ltd.	Guernsey				S2	Full	100%	90,5%	
Fauchier Partners Asset Management Ltd.	Guernsey				S2	Full	100%	90,5%	
Fauchier Partners Corporation	U.S.A				S2	Full	100%	90,5%	
Fauchier Partners International Ltd.	Bermuda				S2	Full	100%	90,5%	
Fauchier Partners Ltd.	UK				S2	Full	100%	90,5%	
Fauchier Partners LLP	UK				S2	Full	87,2%	79,0%	V4
Fauchier Partners Management Company Ltd.	UK				S2	Full	100%	90,5%	
Fauchier Partners Management Ltd.	Guernsey				S2	Full	100%	90,5%	
Fauchier Partners SAS	France				S2	Full	100%	90,5%	
Fischer Francis Trees & Watts Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Fischer Francis Trees & Watts Singapore Ltd.	Singapore								S4
Fischer Francis Trees & Watts UK Ltd.	UK	Equity *	100%	98,3%	V1	Equity *	100%	90,5%	D1
Fund Channel	Luxembourg	Equity *	50,0%	49,1%	V1	Equity *	50,0%	45,2%	
FundQuest Advisor (ex- FundQuest)	France	Equity *	100%	98,3%	V1&D1	Full	100%	90,5%	
FundQuest Advisor (UK branch)	UK	Equity *	100%	98,3%	E2				
FundQuest UK Ltd.	UK	Equity *	100%	98,3%	V1&D1	Full	100%	90,5%	
Haitong - Fortis Private Equity Fund Management Co. Ltd.	China	Equity	33,0%	32,4%	V1	Equity	33,0%	29,9%	
HFT Investment Management Co Ltd. (Group)	China	Equity	49,0%	48,2%	V1	Equity	49,0%	44,4%	
Impax Asset Management Group PLC	UK								S3
PT. BNP Paribas Investment Partners	Indonesia	Full	99,0%	97,3%	V1	Full	99,0%	89,6%	
Shinan BNP Paribas Asset Management Co Ltd.	Rep. of Korea	Prop.	35,0%	34,4%	V1	Prop.	35,0%	31,7%	
THEAM	France	Full	100%	98,3%	V1	Full	100%	90,6%	
TKB BNP Paribas Investment Partners Holding BV	Netherlands	Equity	50,0%	49,1%	V1	Equity	50,0%	45,3%	
Securities services									
BNP Paribas Dealing Services (ex-BNP Paribas Fin' AMS)	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Dealing Services (UK branch)	UK	Full (1)	100%	100%	E2	(1)			
BNP Paribas Dealing Services Asia Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	E1
BNP Paribas Financial Services LLC	U.S.A				S3	Equity *	100%	100%	
BNP Paribas Fund Services Australasia Pty Ltd.	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Services Australasia Pty Ltd. (New Zealand branch)	New Zealand	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Services Dublin Ltd.	Ireland	Equity *	100%	100%		Equity *	100%	100%	
BNP Paribas Fund Services France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Fund Services Securities Pty	Australia				S1	Full	100%	100%	
BNP Paribas Securities Services - BP2S	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Australia branch)	Australia	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Belgium branch)	Belgium	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Germany branch)	Germany	Full (1)	100%	100%		Full (1)	100%	100%	

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(3) Entites consolidated under the equity method for prudential purposes

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Securities services (cont'd)									
BNP Paribas Securities Services - BP2S (Greece branch)	Greece	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Guernsey branch)	Guernsey	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Hong Kong branch)	Hong Kong	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Hungary branch)	Hungary	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Ireland branch)	Ireland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Isle of Man branch)	Isle of Man	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Italy branch)	Italy	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Jersey branch)	Jersey	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Luxembourg branch)	Luxembourg	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Netherlands branch)	Netherlands	Full (1)	100%	100%	E2				
BNP Paribas Securities Services - BP2S (Poland branch)	Poland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Portugal branch)	Portugal	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Singapore branch)	Singapore	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Spain branch)	Spain	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (Switzerland branch)	Switzerland	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services - BP2S (UK branch)	UK	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Securities Services (Holdings) Ltd.	Jersey				S4	Full	100%	100%	
BNP Paribas Sundaram GSO Private Ltd.	India	Equity *	51,0%	51,0%		Equity *	51,0%	51,0%	E1
BNP Paribas Trust Company (Guernsey) Ltd.	Guernsey				S4	Equity *	100%	100%	
Real Estate Services									
Asset Partners (ex- Asset Partenaires)	France	Full	100%	96,8%		Full	100%	96,8%	
Atisreal Netherlands BV	Netherlands	Full	100%	100%		Full	100%	100%	E1
Auguste Thouard Expertise	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Promotion Immobilier d'Entreprise	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Promotion Ile de France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Promotion Mediterranée	France								S4
BNP Paribas Immobilier Residentiel Promotion Rhône Alpes	France								S4
BNP Paribas Immobilier Residentiel Promotion Sud Ouest	France								S4
BNP Paribas Immobilier Residentiel Residences Services	France								S4
BNP Paribas Immobilier Residentiel Residences Services BSA	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Residences Services Sofiane	France								S4
BNP Paribas Immobilier Residentiel Service Clients	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel Transaction & Conseil	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Immobilier Residentiel V2i	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Belgium SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Netherlands BV	Netherlands	Full	100%	100%	E3				
BNP PB Real Estate Advisory & Property Management Czech Republic SRO	Czech Republic	Full	100%	100%		Full	100%	100%	
BNP PB Real Estate Advisory & Property Management Hungary Ltd.	Hungary	Full	100%	100%		Full	100%	100%	
BNP PB Real Estate Advisory & Property Management Ireland Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory & Property Management LLC	United Arab Emirates	Full	49,0%	49,0%		Full	49,0%	49,0%	
BNP Paribas Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory & Property Management Poland SP ZOO	Poland	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory & Property Management UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Advisory Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult France	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Consult GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Facilities Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Financial Partner	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding Benelux SA	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Holding GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Hotels France	France	Full	100%	96,5%	V1	Full	100%	96,1%	

Name	Country	31 December 2013 Method	Voting (%)	Interest (%)	Ref.	31 December 2012 Method	Voting (%)	Interest (%)	Ref.
Real Estate Services (cont'd)									
BNP Paribas Real Estate & Infrastructure Advisory Service Private Ltd.	India				S2	Full	71,1%	71,1%	
BNP Paribas Real Estate Investment Management	France	Full	96,8%	96,8%		Full	96,8%	96,8%	
BNP Paribas Real Estate Investment Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Germany GmbH	Germany	Full	94,9%	94,9%	E3				
BNP Paribas Real Estate Investment Management Italy	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Management UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Investment Services	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Italy SRL	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Jersey Ltd.	Jersey	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Developpement Italy SPA	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Developpement UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Belgium	Belgium	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management France SAS	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Italy SrL	Italy	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Property Management Spain SA	Spain	Full	100%	100%		Full	100%	100%	
BNP Paribas Real Estate Transaction France	France	Full	96,5%	96,5%	V1	Full	96,4%	96,1%	
BNP Paribas Real Estate Valuation France	France	Full	100%	100%		Full	100%	100%	
FG Ingenierie et Promotion Immobilière	France	Full	100%	100%		Full	100%	100%	
European Direct Property Management SA	Luxembourg	Full	100%	100%		Full	100%	100%	
Immobiliere des Bergues	France	Full	100%	100%		Full	100%	100%	
Meunier Hispania	Spain	Full	100%	100%		Full	100%	100%	
Partner's & Services	France	Full	100%	100%		Full	100%	100%	
Pyrotex GB 1 SA	Luxembourg	Full	100%	100%		Full	100%	100%	E1
Pyrotex SARL	Luxembourg	Full	100%	100%		Full	100%	100%	
S.C BNP Paribas Real Estate Advisory S.A	Romania	Full	100%	100%		Full	100%	100%	
Sesame Conseil SAS	France				S4	Full	95,3%	95,3%	
Siège Issy	France	Full	100%	100%		Full	100%	100%	
Tasaciones Hipotecarias SA	Spain	Full	100%	100%		Full	100%	100%	
Weatheralls Consultancy Services Ltd.	UK								S1
Special Purpose Entities									
San Basilio 45 SRL	Italy	Full	-	-	E2				
Construction-Sale companies	France	Full/Prop. D2	-	-		Full/Prop. D2	-	-	E1
Sviluppo HQ Tiburtina SRL	Italy	Full	-	-	E1				
Sviluppo Residenziale Italia SRL	Italy	Full	-	-		Full	-	-	E1
Via Crespi 26 SRL	Italy	Full	-	-		Full	-	-	
Corporate and Investment Banking									
France									
BNP Paribas Arbitrage	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Arbitrage (UK branch)	UK	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Arbitrage (U.S.A branch)	U.S.A	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas Equities France	France	Full (1)	100%	100%		Full (1)	100%	100%	
Esomet	France	Full	100%	100%		Full	100%	100%	
Laffitte Participation 22	France	Full	100%	100%		Full	100%	100%	
Parifergie	France	Full (1)	100%	100%		Full (1)	100%	100%	
Parilease	France	Full (1)	100%	100%		Full (1)	100%	100%	
Taitbout Participation 3 SNC	France	Full	100%	100%		Full	100%	100%	
Europe									
Alpha Murcia Holding BV	Netherlands	Equity *	100%	99,9%	V1	Equity *	100%	74,9%	E2
BNP Paribas Arbitrage Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Bank NV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Commodity Futures Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Emission-und Handel. GmbH	Germany	Full	100%	100%		Full	100%	100%	
BNP Paribas Ireland	Ireland	Full	100%	100%		Full	100%	100%	
BNP Paribas Islamic Issuance BV	Netherlands	Full	100%	100%		Full	100%	100%	
BNP Paribas Net Ltd.	UK	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas UK Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas UK Ltd.	UK	Full	100%	100%		Full	100%	100%	
BNP Paribas Vartry Reinsurance Ltd.	Ireland	Full (3)	100%	100%		Full (3)	100%	100%	
BNP Paribas ZAO	Russia	Full	100%	100%		Full	100%	100%	
BNP PUK Holding Ltd.	UK	Full	100%	100%		Full	100%	100%	
Camomile Investments UK Ltd.	UK								S3
Fidex Holdings Ltd.	UK								S3
GreenStars BNP Paribas	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	E1
Harewood Holdings Ltd.	UK	Full	100%	100%		Full	100%	100%	
Hime Holding 1 SA	Luxembourg	Equity	26,4%	26,4%	E3				
Hime Holding 2 SA	Luxembourg	Equity	21,0%	21,0%	E3				
Hime Holding 3 SA	Luxembourg	Equity	20,6%	20,6%	E3				
Landspire Ltd.	UK	Full	100%	100%		Full	100%	100%	
Paribas Trust Luxembourg SA	Luxembourg	Full	100%	65,9%	V1	Full	100%	53,4%	

Changes in the scope of consolidation

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 105 Construction-Sale Companies (Real Estate programmes) of which 94 fully and 11 proportionally consolidated
D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).
D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

		31 December 2013				31 December 2012			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Europe (cont'd)									
SC Nueva Condo Murcia SL	Spain	Equity *	100%	99,9%	V1	Equity *	100%	74,9%	E2
Utexam Logistics Ltd.	Ireland	Full	100%	100%		Full	100%	100%	
Utexam Solutions Ltd.	Ireland	Full	100%	100%		Full	100%	100%	E1
Verner Investissements (Group)	France	Equity	40,0%	50,0%		Equity	40,0%	50,0%	
Americas									
ACG Capital Partners II LLC	U.S.A								S1
Banco BNP Paribas Brasil SA	Brazil	Full	100%	100%		Full	100%	100%	
Banexi Holding Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Canada	Canada	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Corporation Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital Services Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Capstar Partners Inc.	U.S.A								S4
BNP Paribas Colombia Corporation Financiera SA	Colombia	Equity *	100%	100%		Equity *	100%	100%	E1
BNP Paribas Energy Trading Canada Corp	Canada	Equity *	100%	100%		Equity *	100%	100%	D1
BNP Paribas Energy Trading GP	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Energy Trading Holdings, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Energy Trading LLC	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas FS LLC	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Leasing Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Mortgage Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas North America Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Prime Brokerage Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Prime Brokerage International Ltd.	Cayman Islands	Full	100%	100%		Full	100%	100%	
BNP Paribas RCC Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Corporation	U.S.A	Full	100%	100%		Full	100%	100%	
Camomile Ulster Investments (UK) Ltd.	Cayman Islands								S3
Capstar Partners LLC	U.S.A								S4
CooperNeff Group Inc.	U.S.A				S3	Full	100%	100%	
Cronos Holding Company Ltd. (Group)	Bermuda	Equity	30,1%	30,0%	V1	Equity	30,1%	22,5%	
FB Transportation Capital LLC	U.S.A	Full	100%	99,9%	V1	Full	100%	74,9%	
Fortis Funding LLC	U.S.A	Full	100%	99,9%	V1	Full	100%	74,9%	
French American Banking Corporation - F.A.B.C	U.S.A	Full	100%	100%		Full	100%	100%	
FSI Holdings Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Paribas North America Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Petits Champs Participaçoes e Serviços SA	Brazil				S4	Full	100%	100%	
RFH Ltd.	Bermuda				S2	Equity *	100%	74,7%	
SDI Media Central Holdings Corp.	U.S.A				S2	Equity *	100%	100%	
TAP Ltd.	Bermuda								S2
TCG Fund I, L.P	Cayman Islands	Full	99,7%	99,6%	V1	Full	99,7%	74,7%	
Via North America, Inc.	U.S.A	Full	100%	100%		Full	100%	100%	
Asia - Oceania									
ACG Capital Partners Singapore Pte. Ltd	Singapore	Prop.	50,0%	50,0%		Prop.	50,0%	50,0%	
BNP Pacific (Australia) Ltd.	Australia	Full	100%	100%		Full	100%	100%	
BNP Paribas (China) Ltd.	China	Full	100%	100%		Full	100%	100%	
BNP Paribas Arbitrage (Hong Kong) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Capital (Asia Pacific) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Finance (Hong Kong) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas India Holding Private Ltd.	India	Full	100%	100%		Full	100%	100%	E1
BNP Paribas India Solutions Private Ltd.	India	Full	100%	100%		Full	100%	100%	
BNP Paribas Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Malaysia Berhad	Malaysia	Full	100%	100%		Full	100%	100%	E1
BNP Paribas Principal Investments Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Asia) Ltd.	Hong Kong	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities India Private Ltd.	India	Full	100%	100%	V1	Full	100%	95,2%	V1
BNP Paribas Securities Japan Ltd.	Japan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Taiwan) Co Ltd.	Taiwan	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities Korea Company Ltd.	Rep. of Korea	Full	100%	100%		Full	100%	100%	
BNP Paribas Securities (Singapore) Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
BNP Paribas SJ Ltd. (ex- BNP Paribas Securities (Japan) Ltd.)	Hong Kong	Equity *	100%	100%		Equity *	100%	100%	D1
BNP Paribas SJ Ltd. (Japan branch)	Japan	Equity *	100%	100%		Equity *	100%	100%	
BPP Holdings Pte Ltd.	Singapore	Full	100%	100%		Full	100%	100%	
PT Bank BNP Paribas Indonésia	Indonesia	Full	100%	100%		Full	100%	100%	
PT BNP Paribas Securities Indonesia	Indonesia	Full	99,0%	99,0%		Full	99,0%	99,0%	
Middle East									
BNP Paribas Investment Company KSA	Saudi Arabia	Equity *	100%	100%		Equity *	100%	100%	
Africa									
BNP Paribas Cadiz Stockbroking	South Africa	Equity *	60,0%	60,0%	E1				
Special Purpose Entities									
54 Lombard Street Investments Ltd.	UK	Full	-	-		Full	-	-	
Alamo Funding II Inc.	U.S.A	Full	-	-		Full	-	-	E1
Alandes BV	Netherlands				S3	Full	-	-	
Alectra Finance PLC	Ireland	Full	-	-		Full	-	-	
Antin Participation 8	France	Full	-	-		Full	-	-	
APAC NZ Holdings Ltd.	New Zealand								S3
Aquarius Capital Investments Ltd.	Ireland	Full	-	-		Full	-	-	
ARV International Ltd.	Cayman Islands								S3
Astir BV	Netherlands	Full	-	-		Full	-	-	
Atargatis	France	Full	-	-		Full	-	-	
Aura Capital Investment SA	Luxembourg								S1
Austin Finance	France	Full	-	-		Full	-	-	
Black Kite Investment Ltd.	Ireland								S1
BNP Paribas Complex Fundo de Investimento Multimercado	Brazil				S3	Full	-	-	
BNP Paribas EQD Brazil Fund Fundo Invest Multimercado	Brazil	Full	-	-		Full	-	-	

		31 December 2013				31 December 2012			
Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Special Purpose Entities (con't)									
BNP Paribas Finance Inc.	U.S.A	Full	-	-		Full	-	-	
BNP Paribas International Finance Dublin (ex- Fortis International Finance (Dublin))	Ireland	Full	-	-	E1				
BNP Paribas Investments N°1 Ltd.	UK	Full	-	-	E2				
BNP Paribas Investments N°2 Ltd.	UK	Full	-	-	E2				
BNP Paribas Proprietario Fundo de Investimento Multimercado	Brazil	Full	-	-		Full	-	-	
BNP Paribas VPG Adonis LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Brookfin LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Brookline Cre LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG BMC Select LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG CB Lender LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG CT Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Freedom Communications LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Lake Butler LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Legacy Cabinets LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Mark IV LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Master LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG SDI Media Holdings LLC	U.S.A	Full	-	-	E2				
BNP Paribas VPG Medianews Group LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG MGM LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Modern Luxury Media LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Northstar LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG PCMC LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Reader's Digest Association LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG RHI Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG SBX Holdings LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Semgroup LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas VPG Titan Outdoor LLC	U.S.A	Full	-	-		Full	-	-	
Boug BV	Netherlands	Full	-	-		Full	-	-	
Crossen SARL	Luxembourg	Full	-	-		Full	-	-	E1
Compagnie Investissement Italiens SNC	France	Full	-	-		Full	-	-	
Compagnie Investissement Opéra SNC	France	Full	-	-		Full	-	-	
Delphinus Titri 2010 SA	Luxembourg								S1
Epsom Funding Ltd.	Cayman Islands								S2
Euraussie Finance SARL	Luxembourg								S3
Fidex Ltd.	UK								S3
Financière des Italiens	France	Full	-	-		Full	-	-	
Financière Paris Haussmann	France	Full	-	-		Full	-	-	
Financière Taitbout	France	Full	-	-		Full	-	-	
Grenache et Cie SNC	Luxembourg	Full	-	-		Full	-	-	
Harewood Financing Limited	UK	Full	-	-		Full	-	-	E3
Harewood Investments N°5 Ltd.	Cayman Islands				S1	Full	-	-	
Harewood Investments N°7 Ltd.	Cayman Islands				S1	Full	-	-	
Harewood Investments N°8 Ltd.	Cayman Islands				S1	Full	-	-	
Iliad Investments PLC	Ireland								S3
Leveraged Finance Europe Capital V BV	Netherlands	Full	-	-		Full	-	-	
Liquidity Ltd.	Cayman Islands								S3
Madison Arbor LLC	U.S.A	Full	-	-	E2				
Marc Finance Ltd.	Cayman Islands	Full	-	-		Full	-	-	
Méditerranéa	France	Full	-	-		Full	-	-	
Omega Capital Investments PLC	Ireland	Full	-	-		Full	-	-	
Omega Capital Europe PLC	Ireland				S3	Full	-	-	
Omega Capital Funding Ltd.	Ireland	Full	-	-		Full	-	-	
Optichamps	France	Full	-	-		Full	-	-	
Participations Opéra	France	Full	-	-		Full	-	-	
Reconfiguration BV	Netherlands								S3
Renaissance Fund III	Japan				S1	Equity *	-	-	
Ribera del Loira Arbitrage	Spain	Full	-	-		Full	-	-	
Royale Neuve I Sarl	Luxembourg	Full	-	-		Full	-	-	
Royale Neuve II Sarl	Luxembourg				S3	Full	-	-	
Royale Neuve V Sarl	Luxembourg								S3
Royale Neuve VI Sarl	Luxembourg	Full	-	-	E1				S3
Royale Neuve VII Sarl	Luxembourg				S3	Full	-	-	
Royale Neuve Finance Sarl	Luxembourg								S3
Royale Neuve Investments Sarl	Luxembourg								S1
Scaldis Capital (Ireland) Ltd.	Ireland	Full	-	-		Full	-	-	
Scaldis Capital Ltd.	Jersey	Full	-	-		Full	-	-	
Scaldis Capital LLC	U.S.A	Full	-	-		Full	-	-	
Smalt	Luxembourg				S4	Full	-	-	
Stradios FCP FIS	Luxembourg								S3
Sunny Funding Ltd.	Cayman Islands								S3
Tender Option Bond Municipal program	U.S.A	Equity *	-	-		Equity *	-	-	D1
Thunderbird Investments PLC	Ireland								S3
VPG SDI Media LLC (ex- BNP Paribas VPG SDI Media LLC)	U.S.A	Equity	-	-	S2	Full	-	-	
Other Activities									
Private Equity (BNP Paribas Capital)									
Cobema	Belgium	Full	100%	100%		Full	100%	100%	
Compagnie Financière Ottomane SA	Luxembourg	Full	97,0%	97,0%	V1	Full	96,9%	96,9%	
Erbe	Belgium				S2	Equity	42,5%	42,5%	
Fortis Private Equity Belgium NV	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	
Fortis Private Equity Expansion Belgium NV	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	
Fortis Private Equity France Fund	France				S3	Full	99,9%	75,0%	
Fortis Private Equity Venture Belgium SA	Belgium	Full	100%	99,9%	V1	Full	100%	74,9%	
Gepeco	Belgium	Full	100%	100%		Full	100%	100%	

Changes in the scope of consolidation

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
D1 Consolidation method change not related to fluctuation in voting or ownership interest
D2 105 Construction-Sale Companies (Real Estate programmes) of which 94 fully and 11 proportionally consolidated
D3 The Klepierre group was fully consolidated until 14 March 2012, then, following the partial disposal of the interest of BNP Paribas Group, the Klepierre group has been consolidated under the equity method (cf. note 8.d.).
D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

Name	Country	31 December 2013 Method	31 December 2013 Voting (%)	31 December 2013 Interest (%)	31 December 2013 Ref.	31 December 2012 Method	31 December 2012 Voting (%)	31 December 2012 Interest (%)	31 December 2012 Ref.
Property companies (property used in operations)									
Antin Participation 5	France	Full	100%	100%		Full	100%	100%	
Ejesur SA	Spain	Equity *	100%	100%		Equity *	100%	100%	
Foncière de la Compagnie Bancaire SAS	France								S4
Société Immobilière Marché Saint-Honoré	France	Full	99,9%	99,9%		Full	99,9%	99,9%	
Société d'Etudes Immobilières de Constructions - Setic	France								S4
Société Marloise Participations	France				S4	Full	100%	100%	E1
Investment companies and other subsidiaries									
BNL International Investment SA	Luxembourg	Full	100%	100%		Full	100%	100%	
BNP Paribas Home Loan SFH	France	Full	100%	100%		Full	100%	100%	
BNP Paribas Mediterranée Innovation & Technologies	Morocco	Full	100%	96,7%		Full	100%	96,7%	
BNP Paribas Partners for Innovation (Group)	France	Equity	50,0%	50,0%		Equity	50,0%	50,0%	
BNP Paribas Public Sector SCF	France	Full (1)	100%	100%		Full (1)	100%	100%	
BNP Paribas SB Re	Luxembourg	Full (3)	100%	100%		Full (3)	100%	100%	
Compagnie d'Investissements de Paris - C.I.P	France	Full	100%	100%		Full	100%	100%	
Financière BNP Paribas	France	Full	100%	100%		Full	100%	100%	
Financière du Marché Saint Honoré	France	Full	100%	100%		Full	100%	100%	
GIE Groupement Auxiliaire de Moyens	France	Full	100%	100%		Full	100%	100%	
Le Sphinx Assurances Luxembourg SA	Luxembourg	Equity *	100%	100%		Equity *	100%	100%	
Omnium de Gestion et de Developpement Immobilier - OGDI	France	Full	100%	100%		Full	100%	100%	
Plagefin - Placement, Gestion, Finance Holding SA	Luxembourg	Full	100%	65,9%	V1	Full	100%	53,4%	
Sagip	Belgium	Full	100%	100%		Full	100%	100%	
Société Auxiliaire de Construction Immobilière - SACI	France	Full	100%	100%		Full	100%	100%	
Société Orbaisienne de Participations	France	Full	100%	100%		Full	100%	100%	
UCB Bail 2	France	Full	100%	100%		Full	100%	100%	
UCB Entreprises	France	Full (1)	100%	100%		Full (1)	100%	100%	
UCB Locabail immobilier 2	France								S3
Special Purpose Entities									
BNP Paribas Capital Trust LLC 6	U.S.A				S1	Full	-	-	
BNP Paribas Capital Preferred LLC 6	U.S.A				S1	Full	-	-	
BNP Paribas US Medium Term Notes Program LLC	U.S.A	Full	-	-		Full	-	-	
BNP Paribas US Structured Medium Term Notes LLC	U.S.A				S3	Full	-	-	
Klépierre									
Klépierre SA (Group)	France	Equity	21,8%	21,7%	V2	Equity	22,4%	22,3%	D3

Changes in the scope of consolidation

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

Equity * Controlled but non material entities consolidated under the equity method as associates (cf. note 1.b)

Miscellaneous
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D4 The TEB group was previously consolidated under the proportional method, since the 31 December 2013 it is fully consolidated (cf. note 8.d.).

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

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

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

In millions of euros	31 December 2013		31 December 2012	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
Sale of assets by BNP Paribas Fortis branches to BNP Paribas SA branches, on the same territory	-	-	(7)	7
Sale of assets by BNP Paribas SA to BNP Paribas Fortis	78	(83)	-	-
Internal sale of BNP Paribas Leasing Solutions from BNP Paribas SA to BGL BNP Paribas	-	-	18	(18)
Other	-	-	(3)	-
Total	**78**	**(83)**	**8**	**(11)**

- **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 2013		31 December 2012	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
BNP Paribas Fortis				
BNP Paribas SA bought out minority shareholders' interests representing 25% of the capital, lifting its interest percentage to 99.93%	911	(4,161)		
Other				**(4)**
Total	**911**	**(4,161)**	**-**	**(4)**

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

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings at a predetermined price. The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 773 million at 31 December 2013, compared with EUR 133 million at 31 December 2012. The increase over the period is mainly explained by the recognition of the commitments towards TEB minority shareholders, in the framework of the acquisition of control presented in note 8.d.

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

8.d BUSINESS COMBINATIONS AND LOSS OF CONTROL

- **Operations realised in 2013**

  - TEB Holding

An amendment to the shareholders' agreement binding the BNP Paribas Group to the Colakoglu group, in the holding structure of the TEB entities, was signed on 20 December 2013. This amendment leads to the full consolidation of the TEB ensemble.
The change in the consolidation method has a EUR -2 million impact on the Group's profit and loss account. The goodwill related to the set of TEB entities amounts to TRY 708 million, or EUR 240 million.

The Group's balance sheet rose by EUR 5.9 billion as a result of the acquisition of control over the TEB ensemble, in particular, "Loans and receivables due from customers" increased by EUR 4.1 billion and "Amounts due to customers" was up by EUR 3.5 billion.

The Colakoglu group retains a put option which allows it to sell its interest in TEB Holding to BNP Paribas Group at the market value. This option includes a minimum price on the historical stake of the Colakoglu group reaching TRY 1.6 billion as of 1st April 2014.

- **Operations realised in 2012**

  - Klepierre

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

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

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

The remuneration and benefits policy relating to the Group's corporate officers, as well as the detailed information on an individual basis, are presented in chapter 2 Corporate Governance of the registration document.

- **Remuneration and benefits awarded to the Group's corporate officers**

	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Gross remuneration, including directors' fees and benefits in kind		
- payable for the year	€7,512,792	€8,507,349
- paid during the year	€8,394,739	€6,616,370
Post-employment benefits		
Retirement bonuses: present value of the benefit obligation (payroll taxes excluded)	€652,156	€620,247
Contingent collective defined-benefit top-up pension plan: total present value of the benefit obligation (in millions of euros)	€ 19,40 m	€ 19,01 m
Defined contribution pension plan : contributions paid by the company during the year	€2,037	€2,000
Welfare benefits: premiums paid by the company during the year	€24,184	€23,429
Share-based payments		
Stock subscription options		
- value of stock options granted during the year	Nil	Nil
- number of options held at 31 December	1,322,380	1,887,974
Performance shares		
- value of shares granted during the year	Nil	Nil
- number of shares held at 31 December	9,330	13,470
Long-term compensation		
- fair value (*) at grant date	€1,595,319	€1,047,002

(*) Valuation according to the method described in note 1.i

- **Directors' fees paid to members of the board of directors**

The directors' fees paid in 2013 to all members of the board of directors amount to EUR 950,593, compared with EUR 814,995 in 2012. The amount paid in 2013 to members other than corporate officers was EUR 860,742.

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

In euros	Year to 31 Dec. 2013	Year to 31 Dec. 2012
Gross remuneration paid during the year	81,636	114,370
Directors' fees (paid to the trade unions)	112,352	82,058
Premiums paid by BNP Paribas during the year into schemes related to Garantie Vie Professionnelle Accidents benefits and healthcare expense coverage	1,831	1,833
Contributions paid by BNP Paribas during the year into the defined-contribution plan	720	738

- **Loans, advances and guarantees granted to the Group's corporate officers**

At 31 December 2013, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouses amounted to EUR 1,263,432 (EUR 2,700,091 at 31 December 2012). These loans representing normal transactions were carried out on an arm's length basis.

8.f OTHER 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

The list of companies consolidated by the BNP Paribas Group is provided in note 8.b "Scope of consolidation". Transactions and period-end balances between fully-consolidated entities are eliminated. The tables below show the portion of intragroup transactions not eliminated in consolidated accounts, related with companies accounted for by the proportionate consolidation method over which BNP Paribas exercises joint control. They also show transactions and balances with associates accounted for by the equity method.

- **Related-party balance sheet items:**

	31 December 2013		31 December 2012	
In millions of euros	Entities consolidated under the proportional method	Entities consolidated under the equity method	Entities consolidated under the proportional method	Entities consolidated under the equity method
ASSETS				
Loans, advances and securities				
On demand accounts	11	47	53	130
Loans	3,572	1,685	3,969	1,827
Securities	5	-	319	16
Finance leases	-	-	-	-
Securities held in non-trading portfolio	431	1	459	2
Other assets	**13**	**58**	**6**	**128**
Total	**4,032**	**1,791**	**4,806**	**2,103**
LIABILITIES				
Deposits				
On demand accounts	60	512	25	726
Other borrowings	311	2,525	121	1,861
Debt securities	62	-	66	-
Other liabilities	2	60	8	40
Total	**435**	**3,097**	**220**	**2,627**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given	**41**	**2,027**	**100**	**2,523**
Guarantee commitments given	**131**	**3**	**189**	**102**
Total	**172**	**2,030**	**289**	**2,625**

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

- **Related-party profit and loss items:**

In millions of euros	Year to 31 Dec. 2013		Year to 31 Dec. 2012	
	Entities consolidated under the proportional method	Entities consolidated under the equity method	Entities consolidated under the proportional method	Entities consolidated under the equity method
Interest income	**105**	**106**	**134**	**146**
Interest expense	*(1)*	*(37)*	*(4)*	*(28)*
Commission income	**13**	**382**	**18**	**351**
Commission expense	*(37)*	*(12)*	*(57)*	*(15)*
Services provided	**1**	**2**	**1**	**34**
Services received	*-*	*8*	*-*	*(63)*
Lease income	**2**	**6**	**2**	**6**
Total	83	455	94	431

GROUP ENTITIES MANAGING CERTAIN POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has an 25% equity interest.

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

At 31 December 2013, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,476 million (EUR 3,420 million at 31 December 2012). Amounts received relating to services provided by Group companies in the year to 31 December 2013 totalled EUR 4 million, and mainly is composed of management and custody fees (EUR 4 million in 2012).

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 2013	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks		101,066						101,066
Financial assets at fair value through profit or loss	671,687							671,687
Derivatives used for hedging purposes	8,426							8,426
Available-for-sale financial assets	17,283		12,627	11,003	13,908	58,783	89,809	203,413
Loans and receivables due from credit institutions	23	14,792	10,499	6,372	5,515	4,966	8,320	50,487
Loans and receivables due from customers	-	51,285	47,560	50,229	73,107	191,812	203,168	617,161
Remeasurement adjustment on interest-rate risk hedged portfolios	3,657							3,657
Held-to-maturity financial assets			-	229	888	4,549	4,215	9,881
Financial assets by maturity	**701,076**	**167,143**	**70,686**	**67,833**	**93,418**	**260,110**	**305,512**	**1,665,778**
Due to central banks		661						661
Financial liabilities at fair value through profit or loss	564,960		296	1,781	7,542	23,224	10,344	608,147
Derivatives used for hedging purposes	12,289							12,289
Due to credit institutions		14,914	21,229	18,130	9,155	20,007	1,586	85,021
Due to customers		357,409	106,414	35,444	25,550	22,864	10,222	557,903
Debt securities			14,979	43,686	49,236	46,675	28,931	183,507
Subordinated debt	1,722		68	585	714	7,002	1,937	12,028
Remeasurement adjustment on interest-rate risk hedged portfolios	924							924
Financial liabilities by maturity	**579,895**	**372,984**	**142,986**	**99,626**	**92,197**	**119,772**	**53,020**	**1,460,480**

In millions of euros, at 31 December 2012	Not determined	Overnight or demand	Up to 1 month (excl. overnight)	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	TOTAL
Cash and amounts due from central banks		103,190						103,190
Financial assets at fair value through profit or loss	763,799							763,799
Derivatives used for hedging purposes	14,267							14,267
Available-for-sale financial assets	17,093		6,447	10,578	18,513	56,530	83,345	192,506
Loans and receivables due from credit institutions	26	10,414	7,387	3,013	3,848	6,413	9,305	40,406
Loans and receivables due from customers	-	49,195	47,927	58,766	74,957	190,107	209,568	630,520
Remeasurement adjustment on interest-rate risk hedged portfolios	5,836							5,836
Held-to-maturity financial assets			-	264	436	5,019	4,565	10,284
Financial assets by maturity	**801,021**	**162,799**	**61,761**	**72,621**	**97,754**	**258,069**	**306,783**	**1,760,808**
Due to central banks		1,532						1,532
Financial liabilities at fair value through profit or loss	661,995		353	1,585	5,356	24,842	9,492	703,623
Derivatives used for hedging purposes	17,286							17,286
Due to credit institutions		15,324	20,525	18,603	5,669	48,928	2,686	111,735
Due to customers		329,327	106,448	32,939	26,079	29,456	15,264	539,513
Debt securities			19,618	33,295	47,581	49,769	22,935	173,198
Subordinated debt	2,605		32	452	1,156	8,204	2,774	15,223
Remeasurement adjustment on interest-rate risk hedged portfolios	2,067							2,067
Financial liabilities by maturity	**683,953**	**346,183**	**146,976**	**86,874**	**85,841**	**161,199**	**53,151**	**1,564,177**

The majority of the financing and guarantee commitments given, which amounted to EUR 211,535 million and EUR 92,294 million respectively at 31 December 2013 (EUR 264,284 million and EUR 91,689 million respectively at 31 December 2012), 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 2013. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

	Estimated fair value at 31 December 2013				Carrying value at 31 December 2013	Estimated fair value at 31 December 2012	Carrying value at 31 December 2012
In millions of euros	Level 1	Level 2	Level 3	Total			
FINANCIAL ASSETS							
Loans and receivables due from credit institutions (note 5.f)	-	50,290	109	50,399	50,487	40,349	40,406
Loans and receivables due from customers (note 5.g) (1)	3,655	41,587	557,833	603,075	591,962	608,252	603,524
Held-to-maturity financial assets (note 5.j)	10,861	130	75	11,066	9,881	11,583	10,284
FINANCIAL LIABILITIES							
Due to credit institutions (note 5.f)	-	85,090	-	85,090	85,021	112,599	111,735
Due to customers (note 5.g)	-	558,714	-	558,714	557,903	540,982	539,513
Debt securities (note 5.i)	69,096	116,091	-	185,187	183,507	176,466	173,198
Subordinated debt (note 5.i)	3,774	7,672	-	11,446	12,028	14,862	15,223

(1) Finance leases excluded

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

8.i CONTINGENT LIABILITIES: LEGAL PROCEEDINGS 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 alleged, 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 contended 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 was pleaded under the US Racketeer Influenced and Corrupt Organisations Act (“RICO”) which allows treble damages if damages are awarded. The defendants, including BNP Paribas, moved to dismiss the action in its entirety on a number of different legal grounds. On 6 February 2013, the complaint was dismissed by the United States District Court Southern District of New York (which means that the plaintiff does not have the opportunity to re-file an amended complaint). On 15 February 2013, the Republic of Iraq filed a notice of appeal before the United States Court of Appeals for the Second Circuit.

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

Various legal disputes and enquiries are ongoing relating to the restructuring of the Fortis Group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these disputes are litigations brought by shareholder groups in The Netherlands and Belgium against (among others) Ageas and BNP Paribas Fortis, in the context of the capital increase of Fortis (now Ageas) completed in October 2007 in connection with the acquisition of ABN Amro Bank N.V. and the subsequent communication on the subprimes exposure. The Bank is vigorously defending itself in these proceedings. Lately, a Court confirmed that Ageas was liable for mismanagement regarding its communication. The possibility cannot be ruled out that the outcome of such litigations or investigations might have an impact on BNP Paribas Fortis.

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

8.j FEES PAID TO THE STATUTORY AUDITORS

In 2013	Deloitte		PricewaterhouseCoopers Audit		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audit and contractual audit, including								
- *Issuer*	3,255	22%	3,580	19%	1,609	16%	8,444	19%
- *Consolidated subsidiaries*	8,237	54%	9,815	52%	7,983	78%	26,035	58%
Other reviews and services directly related to the statutory audit engagement, including								
- *Issuer*	271	0%	1,908	10%	146	1%	2,325	5%
- *Consolidated subsidiaries*	1,195	8%	1,960	10%	267	3%	3,422	8%
Sub-total	**12,958**	**84%**	**17,263**	**91%**	**10,005**	**98%**	**40,226**	**90%**
Other services provided by the networks to fully- or proportionally-consolidated subsidiaries								
Tax and legal	24	0%	61	0%	7	0%	92	0%
Others	2,328	16%	1,652	9%	158	2%	4,138	10%
Sub-total	**2,352**	**16%**	**1,713**	**9%**	**165**	**2%**	**4,230**	**10%**
TOTAL	**15,310**	**100%**	**18,976**	**100%**	**10,170**	**100%**	**44,456**	**100%**

In 2012	Deloitte		PricewaterhouseCoopers Audit		Mazars		TOTAL	
Excluding tax, in thousands of euros	Total	%	Total	%	Total	%	Total	%
Audit								
Statutory audit and contractual audit, including								
- *Issuer*	3,242	20%	3,359	19%	1,539	16%	8,140	18%
- *Consolidated subsidiaries*	8,801	55%	9,391	54%	7,393	79%	25,585	60%
Other reviews and services directly related to the statutory audit engagement, including								
- *Issuer*	1	0%	564	3%	93	1%	658	2%
- *Consolidated subsidiaries*	1,472	9%	2,920	17%	227	2%	4,619	11%
Sub-total	**13,516**	**84%**	**16,234**	**93%**	**9,252**	**99%**	**39,002**	**91%**
Other services provided by the networks to fully- or proportionally-consolidated subsidiaries								
Tax and legal	97	0%	77	0%	-	0%	174	0%
Others	2,518	16%	1,183	7%	77	1%	3,778	9%
Sub-total	**2,615**	**16%**	**1,260**	**7%**	**77**	**1%**	**3,952**	**9%**
TOTAL	**16,131**	**100%**	**17,494**	**100%**	**9,329**	**100%**	**42,954**	**100%**

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 1,488 thousand for the year 2013 (EUR 1,613 thousand in 2012).

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

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