



**Consolidated Financial Statements of BNP Paribas SA
(Balance Sheet and Profit and Loss Account)**

Year ended 31 December 2000

(Unaudited)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

Consolidated balance sheet Consolidated profit and loss account

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CONSOLIDATED BALANCE SHEET
ASSETS

In millions of euros, at 31 December

	2000	1999	1998
Interbank and money market items (note 4)			
Cash and amounts due from central banks and post office banks	8,140	6,031	3,666
Treasury bills and money-market instruments (note 7)	59,548	61,803	40,394
Due from credit institutions	130,613	159,772	71,298
Total interbank and money market items	198,301	227,606	115,358
Customer items (note 5)			
Due from customers	212,301	197,114	138,283
Leasing receivables	18,609	16,281	9,258
Total customer items	230,910	213,395	147,541
Bonds and other fixed-income instruments (note 7)	31,955	57,278	16,614
Equities and other variable income instruments (note 7)	39,020	26,682	6,570
Insurance company investments (note 6)	54,645	47,929	23,127
Investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment (note 8):			
Investments in non-consolidated undertakings and other participating interests	2,777	4,341	1,785
Equity securities held for long-term investment	5,264	3,477	1,691
Total investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment	8,041	7,818	3,476
Investments in companies carried under the equity method:			
Financial companies	2,023	2,158	144
Non-financial companies	162	105	87
Total investments in companies carried under the equity method	2,185	2,263	231
Tangible and intangible assets (note 10)	5,831	5,170	2,411
Goodwill (note 12)	2,540	1,389	215
Accrued income and other assets (note 11)	120,609	109,095	31,339
Total assets	694,037	698,625	346,882
COMMITMENTS GIVEN			
Financing commitments given (note 22)	134,172	121,791	67,690
Guarantees and endorsements given (note 22)	60,071	56,963	31,603

Commitments given on securities (note 22)	8,705	10,236	5,956
Commitments incurred on forward and options contracts (note 23)	8,291,901	7,377,840	2,575,033

LIABILITIES AND SHAREHOLDERS' EQUITY

In millions of euros, at 31 December	2000	1999	1998
Interbank and money market items (note 13) :			
Due to central banks and post office banks	461	459	3,399
Due to credit institutions	195,794	230,614	103,704
Total interbank and money market items	196,255	231,073	107,103
Customer items (note 14)	172,877	149,003	117,483
Debt securities :			
Retail certificates of deposit (note 14)	6,683	5,793	4,863
Interbank market securities (note 13)	540	623	172
Negotiable certificates of deposit (note 14)	53,215	55,005	24,081
Bonds, including short term portion (note 15)	15,196	15,617	6,413
Other debt instruments	91	61	108
Total debt securities	75,725	77,099	35,637
Technical reserves of insurance companies (note 16)	54,093	47,724	24,020
Accrued expenses and other liabilities (note 17)	152,260	151,735	39,106
Badwill	31	3	3
Provisions for contingencies and charges (note 18)	5,587	6,166	2,866
Subordinated debt (note 19)	11,745	11,977	8,258
Reserves for general banking risks (note 20)	1,039	1,040	1,038
Minority interests in consolidated subsidiaries (note 21)	2,812	3,016	1,114
Shareholders' equity (note 21) :			
Capital stock	1,792	1,799	832
Additional paid-in capital in excess of par and premium on acquisition	10,962	11,709	3,421
Retained earnings	4,735	4,797	4,887
Net income	4,124	1,484	1,114
Total shareholders' equity	21,613	19,789	10,254
Total liabilities and shareholders' equity	694,037	698,625	346,882
COMMITMENTS RECEIVED			
Financing commitments received	6,625	11,233	3,791
Guarantees and endorsements received	39,901	40,034	23,348
Commitments received on securities	9,327	12,725	8,604

CONSOLIDATED PROFIT AND LOSS ACCOUNT

In millions of euros	2000	1999	1998
Interest income (note 26)	39,780	24,413	20,686
Interest expense (note 26)	(35,824)	(20,628)	(17,156)
Net interest income	3,956	3,785	3,530
Income on equities and other variable income instruments (note 29)	391	175	128
Net commissions (note 30)	4,446	3,198	2,557
Net gains on sales of trading account securities	5,297	2,465	1,365
Net gains on sales of securities available for sale	243	67	20
Other net income/(expense) from banking operations	460	(157)	(143)
Underwriting result and net investment income of insurance companies (note 31)	1,245	562	73
Net income from other activities	225	111	45
Net banking income (note 36)	16,263	10,206	7,575
Operating expense :			
Salaries and employee benefits, including profit sharing (note 32)	(6,250)	(4,040)	(3,113)
Other expense	(3,660)	(2,277)	(1,633)
Total operating expense	(9,910)	(6,317)	(4,746)
Depreciation, amortisation and provisions on tangible and intangible assets	(528)	(425)	(335)
Gross operating income (note 36)	5,825	3,464	2,494
Net additions to provisions for credit risks and country risks (note 9)	(1,141)	(702)	(1,206)
Operating income	4,684	2,762	1,288
Share of earnings of companies carried under equity method	317	19	29
Gains (losses) on disposals of long-term investments and changes in provision: (note 34)	1,708	911	478
Income before tax, non-recurring items, amortisation of goodwill and movements in the reserve for general banking risks	6,709	3,692	1,795
Net non-recurring expense (note 35)	(385)	(156)	(127)
Corporate income tax (note 37)	(1,631)	(1,201)	(482)
Amortisation of goodwill	(145)	(111)	(16)
Movements in the reserve for general banking risks	4	18	(3)
Minority interests	(428)	(163)	(53)
Net income before BNP-Paribas merger-related restructuring costs	4,124	2,079	1,114
BNP-Paribas merger-related restructuring costs (note 38)	-	(595)	-
Net income	4,124	1,484	1,114
Earnings per share before BNP-Paribas merger-related restructuring costs, in euros	-	7.80	-
Earnings per share, in euros	9.40	5.57	5.16

Stock options are taken into account in the calculation of diluted earnings per share by the treasury stock method which is also allowed under IAS 33.

NOTE 1 – ACCOUNTING POLICIES

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with French generally accepted accounting principles applicable in the banking industry.

YEAR-ON-YEAR COMPARISONS

In 1999, Banque Nationale de Paris (BNP) acquired a controlling interest in Paribas SA. Paribas SA and its subsidiaries were consolidated by the new BNP Paribas Group for the first time at 31 December 1999. The impact of consolidating Paribas on the BNP Paribas Group's consolidated balance sheet at 31 December 1999 and its consolidated profit and loss account for the year then ended is presented in note 3. The accounting method used for the consolidation is set out in note 21.

The General Meeting of BNP shareholders held on 23 May 2000 approved the BNP-Paribas merger with retrospective effect to 1 January 2000. Following reorganisation of the businesses and certain legal structures in the new BNP Paribas Group, it is no longer possible to identify the contribution of Paribas and its former subsidiaries to the balance sheet at 31 December 2000 or the profit and loss account for the year then ended.

The BNP Paribas Group has adopted the new consolidation rules applicable to institutions regulated by the Comité de la Réglementation Bancaire et Financière with effect from 1999. The financial statements for the year ended 31 December 1998 have been restated based on the same presentation, to take into account the full consolidation of Group subsidiaries operating in the insurance and real estate development sectors.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION PRINCIPLES

- **Application of the new consolidation rules**

The BNP Paribas Group has applied Accounting Standards Committee (CRC) standard 99-07 "Consolidation rules applicable to institutions regulated by the Comité de la Réglementation Bancaire et Financière", with effect from 1 January 1999.

The main changes resulting from the application of CRC standard 99-07 for the preparation of the consolidated financial statements of the BNP Paribas Group are as follows:

- All subsidiaries that are exclusively controlled by BNP Paribas and operate in businesses that represent an extension of the Group's banking and financial services business or in related business segments, including insurance and real estate development, are fully consolidated.
- Deferred taxes are now recognised for all temporary differences between the reported amount of assets and liabilities and their tax basis. This new approach results in not only the recognition of probable but also of possible deferred taxes. In addition, leasing companies within the BNP Paribas Group record deferred taxes on the total difference between accumulated book depreciation of the leased assets and accumulated amortisation of the net investment in the lease.

The financial statements of consolidated companies have been restated based on BNP Paribas Group accounting policies. In accordance with CRC standard 99-07, however, the financial statements of non-banking subsidiaries have not been restated to eliminate differences in accounting policies in cases where these differences concern accounting policies that are specific to the businesses in which the subsidiaries concerned operate.

In accordance with CRC standard 99-07, the financial statements for prior periods have been restated to take account of the changes of method resulting from the application of this standard. The effect of these changes of method on opening balances at 1 January 1999 has been recorded under "Retained Earnings" net of the related tax effect (note 21).

- **First-time consolidation of the Paribas Group at 31 December 1999**

Following the two public exchange offers made in 1999, BNP held over 90% of the capital of Paribas at 31 December 1999. Based on the National Accounting Board (CNC) Emerging Issues Task Force's interpretation of the rules governing the application of section 215 of the Appendix to CRC standard 99-07, the transaction meets the criteria for application of the pooling of interests method. This method consists of replacing the purchase cost of the Paribas shares with the net book value of the assets and liabilities acquired, as restated in accordance with BNP Paribas Group accounting policies. The

difference between the cost of the shares and the book value of the net assets acquired has been charged against the premium on the shares issued in exchange for Paribas shares (note 21).

The accounting methods applied by Paribas have been aligned with those applied by BNP. The effect of these changes of method has been charged to Paribas' shareholders' equity at the date of first consolidation by the BNP Paribas Group.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

PRINCIPLES AND BASIS OF CONSOLIDATION

SCOPE OF CONSOLIDATION

The consolidated financial statements include the financial statements of BNP Paribas and of all subsidiaries whose financial statements are material in relation to the consolidated financial statements of the Group as a whole. Subsidiaries are considered as being material if they have total assets in excess of EUR 15 million or if they make a material contribution to the net income of the sub-group to which they belong. Newly-created companies that are expected to expand rapidly are also consolidated.

Entities over which a Group company exercises de facto control, by virtue of contractual provisions or provisions of the entity's bylaws, are consolidated even in cases where the Group does not hold an interest in their capital. However, entities in which powers are not exercised in the sole interests of a Group company but in a fiduciary capacity on behalf of third parties and in the interests of all of the parties involved, none of which exercises exclusive control over the entity, are not consolidated.

Entities whose shares have been acquired exclusively with a view to their subsequent disposal are not consolidated. This is the case of shares acquired by BNP as a result of the acquisition of Paribas which are intended to be sold in connection with the active management of the portfolio held by BNP Paribas Capital. Additionally, if the Group's ability to control the operating policies and assets of a subsidiary or affiliate is severely and permanently restricted, the subsidiary or affiliate is not consolidated. Shares in these companies are recorded in the consolidated balance sheet under "Investments in non-consolidated undertakings and other participating interests".

CONSOLIDATION METHODS

- **Fully-consolidated Companies**

Subsidiaries over which the Group exercises exclusive control are fully consolidated, including subsidiaries whose financial statements are presented in a different format which are engaged in a business that represents an extension of the Group's banking and financial services businesses or a related business, including insurance, real estate investment, real estate development and data processing services.

Exclusive control is considered as being exercised in cases where the Group is in a position to manage the subsidiary's financial and operating policies with a view to benefiting from its business, as a result of:

- direct or indirect ownership of the majority of voting rights of the subsidiary,
- the designation in two successive years of the majority of the members of the Board of Directors, Supervisory Board or equivalent. This is considered to be the case if a Group company holds over 40% of the voting rights during the two-year period and no other shareholder holds a larger percentage, directly or indirectly;
- the right to exercise dominant influence over the subsidiary by virtue of contractual provisions or provisions of the bylaws, provided that the Group company exercising the dominant influence is a shareholder of the subsidiary. Dominant influence is considered as being exercised in cases where the Group company is in a position to use or decide the utilisation of the subsidiary's assets, liabilities or off-balance sheet items as if they were its own. In the absence of contractual provisions or provisions of the bylaws, a Group company is considered as exercising dominant influence over a credit institution in cases where it holds at least 20% of the voting rights and no other shareholder or group of shareholders holds a larger percentage.

- **Proportionally-consolidated Companies**

Jointly-controlled companies are consolidated by the proportional method. Joint control is considered as being exercised in cases where the company concerned is managed jointly by a limited number of shareholders which together determine the company's financial and operating policies.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

• **Companies Accounted for by the Equity Method**

Companies in which the Group exercises significant influence over financial and operating policies without having control are accounted for by the equity method. Significant influence may be exercised through representation on the Board of Directors, Supervisory Board or equivalent, or participation in strategic decisions, or as a result of significant business dealings with the company, or exchanges of management personnel or technical dependence. Significant influence over financial and operating policies is considered as being exercised in cases where the Group holds at least 20% of the voting rights, directly or indirectly.

Companies that are less than 20%-owned are not consolidated except in cases where they constitute a strategic investment and the Group effectively exercises significant influence. This is the case of companies developed in partnership with other groups, where the BNP Paribas Group participates in strategic decisions affecting the company as a member of the Board of Directors, Supervisory Board or equivalent, exercises influence over the company's operational management by supplying management systems or decision-making aids and provides technical assistance to support the company's development.

CONSOLIDATION PRINCIPLES

Cost of Shares in Consolidated Companies, Goodwill, Valuation Adjustments

• **Cost of Shares in Consolidated Companies**

The cost of shares in consolidated companies is equal to the purchase price paid to the vendor by the buyer plus material transaction costs, net of the corresponding tax savings.

• **Goodwill**

Goodwill, corresponding to the difference between the cost of shares in consolidated companies and the Group's equity in the assets, liabilities and off-balance sheet items of the company at the date of acquisition, after valuation adjustments, is amortised by the straight-line method over the estimated period of benefit, not to exceed 20 years. The amortisation period is determined on a case by case basis depending on the specific conditions relating to each acquisition. Goodwill arising on acquisition of fully-consolidated and proportionally-consolidated companies is recorded under "Goodwill". The difference between the cost of shares in companies accounted for by the equity method and the Group's equity in the net assets acquired, after valuation adjustments, is recorded under "Investments in companies carried under the equity method".

• **Valuation Adjustments**

Valuation adjustments, corresponding to the difference between the revalued amount of assets, liabilities and off-balance sheet items of the acquired company and their book value in the accounts of the acquired company, are recorded in the consolidated balance sheet in accordance with generally accepted accounting principles applicable to the items concerned.

Change in Percent Interests in Consolidated Companies

In the case of an increase in the Group's percent interest in a consolidated company, additional goodwill is recorded and amortised by the method described above. If the Group's percent interest is reduced without resulting in the subsidiary being deconsolidated, a corresponding percentage of the unamortised goodwill is written off. This is the case, in particular, following a capital transaction that has the effect of diluting the interest of the company holding the shares,

Intercompany Balances and Transactions

Material intercompany balances, as well as income and expenses on material intercompany transactions between fully or proportionally consolidated companies, are eliminated in consolidation.

Lease Financing

Finance leases where the Group is lessor are recorded in the consolidated balance sheet under "Leasing receivables" in an amount corresponding to the net investment in the lease and not the net book value in the individual company accounts determined in accordance with legal and tax rules. Lease payments are analysed between amortisation of the net investment and interest income.

Deferred taxes are recorded on the total difference between accumulated book depreciation of the leased assets and accumulated amortisation of the net investment in the lease. This difference is recorded under "Shareholders' equity" net of deferred taxes.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

Foreign Currency Translation

All monetary and non-monetary assets and liabilities of foreign subsidiaries and branches that are denominated in foreign currencies are translated at the year-end exchange rate. Differences arising from the translation of profit and loss account items of foreign subsidiaries at the average rate for the year and the year-end rate are recorded in shareholders' equity net of minority interests, together with differences arising on translation of the capital made available to foreign branches. Differences arising from the translation of the results of foreign subsidiaries are treated as operating positions that can be repatriated and are therefore recognised in the consolidated statement of income.

BNP Paribas shares held within the Group

BNP Paribas shares held within the Group are valued and accounted for as follows:

- Shares acquired in order to stabilise the share price or in connection with index arbitrage transactions are recorded under "Trading account securities" at their market price.
- Shares held for allocation to employees are recorded at the lower of cost and market price under "Securities available for sale". Where appropriate, a provision is booked for the difference between the cost of the shares and the exercise price of the related employee stock purchase options
- Shares not acquired for any of the above purposes that are intended to be cancelled are deducted from consolidated shareholders' equity at cost. If the shares are subsequently sold instead of being cancelled, the gain or loss on disposal and the corresponding tax are posted to retained earnings.

Full Consolidation of Insurance Subsidiaries

The financial statements of insurance subsidiaries have not been restated to eliminate differences in accounting policies that result from the application of insurance accounting standards. The balance sheet, profit and loss account and off-balance sheet items of fully consolidated insurance subsidiaries are included under similar captions in the consolidated financial statements, with the exception of the following items:

• **Insurance Company Investments**

The investments of insurance companies include admissible assets related to unit-linked business, property investments and various other investments, including shares in related companies. Property investments are stated at cost, excluding transaction costs. Buildings are depreciated over their estimated useful lives. Admissible assets related to unit-linked business are stated at the realisable value of the underlying assets at the year-end. Fixed or variable income marketable securities are stated at cost and for amortisable securities, the difference between cost and the redemption price is prorated over the life of the securities. A capitalisation reserve is set up to cover any long-term impairment in value of the insurance companies' portfolio of investments, If the aggregate book value of marketable securities, equities, mutual funds and other variable income instruments is higher than the aggregate market value, the aggregate book value is written down by means of a technical reserve.

• **Technical Reserves of Insurance Companies**

Technical reserves correspond to the insurance company's commitments towards policyholders and the insured. Technical reserves for unit-linked business are determined based on the value of the underlying assets at the year-end. Life premium reserves consist primarily of mathematical reserves corresponding to the difference between the present value of the insurer's commitments and those of the policyholder, taking into account the probability of their settlement. Non-life technical reserves include unearned premium reserves (corresponding to the fraction of written premiums relating to the following year or years) and outstanding claims reserves, including claims handling costs.

A capitalisation reserve is set up to cover any impairment in value of the insurance company's portfolio of investments or any decline in income from these investments, by crediting to the reserve any gains realised on the sale or conversion of qualifying amortisable securities before maturity, with the exception of floating rate bonds. Amounts credited to or released from the reserve in the financial statements of the insurance companies are not restated in consolidation. The capitalisation reserve is included in technical reserves in the consolidated balance sheet.

• **Underwriting Result and Net Investment Income of Insurance Companies**

This caption mainly includes earned premiums, paid claims and changes in outstanding claims reserves, and net investment income, excluding intercompany profits.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

OTHER SIGNIFICANT ACCOUNTING POLICIES

INTERBANK AND MONEY-MARKET ITEMS, CUSTOMER ITEMS

Amounts due from credit institutions include all subordinated and unsubordinated loans made in connection with banking transactions with credit institutions, with the exception of debt securities. They also include securities purchased under resale agreements, whatever the type of securities concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between demand loans and deposits and term loans and time deposits.

Amounts due from customers include loans to customers other than credit institutions, with the exception of loans represented by debt securities issued by customers, securities purchased under resale agreements, whatever the type of securities concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between commercial loans, overdrafts and other credits.

Interbank and money-market items and customer items are stated at their nominal value plus accrued interest.

Provisions are booked to write down the outstanding principal in cases where the bank considers that there is a risk of borrowers being unable to honour all or part of their commitments, by debiting the profit and loss account. This is considered to be the case of all loans on which one or more instalment is more than three months past-due (or six months in the case of real estate loans).

These principles also apply to loans granted to real estate professionals. For these loans, the potential loss is determined based on the estimated value of the underlying property and the guarantees obtained, as well as the estimated final loss on the project, calculated by comparing forecast revenues with the cost to complete. The estimated value of the underlying property is determined by reference to rental values and prices observed for recent transactions involving similar properties and any capital losses. The cost to complete includes interest expense up to the final date of sale of the property, future construction costs and fees, as well as operating costs.

Provisions for loan losses are deducted from the amount of the corresponding loans. Provisions recorded under liabilities include provisions related to off-balance sheet commitments, provisions for losses on interests in real estate development programmes, provisions for claims and litigation, provisions for unidentified contingencies and provisions for unforeseeable industry risks.

Additions to and recoveries of provisions, write-offs of bad debts and recoveries on loans covered by allowances are recorded in the profit and loss account under "Net additions to allowances for credit risks and country risks", with the exception of additions to provisions for accrued interest on non-performing loans which are included in net banking income together with the interest accrual.

SECURITIES

The term "securities" covers interbank market securities (mainly promissory notes and mortgage notes); Treasury and other negotiable debt instruments; bonds and other fixed-income instruments (whether fixed- or floating-rate); and equities and other variable income instruments.

In application of CRC standard 00-02, securities are classified as "Trading account securities", "Securities available for sale", "Equity securities available for sale in the medium-term", "Debt securities held to maturity", "Equity securities held for long-term investment", "Other participating interests", and "Investments in non-consolidated undertakings". Investments in companies carried under the equity method are recorded on a separate line of the consolidated balance sheet.

- **Trading account securities**

Securities held for up to six months are recorded under "Trading account securities" and valued individually at market. Changes in market values are posted to income.

- **Securities available for sale**

This category includes securities held for at least six months, but which are not intended to be held on a long-term basis.

Bonds and other fixed-income instruments are valued at the lower of cost (excluding accrued interest) or their probable market value, which is generally determined on the basis of market prices. Accrued interest is posted to income under "Interest income on bonds and other fixed-income instruments".

NOTE 1 – ACCOUNTING POLICIES (cont'd)

The difference between cost and the redemption price of fixed income securities purchased on the secondary market is prorated over the life of the securities and posted to the profit and loss account. As a result, their carrying value is amortised to their redemption value over their remaining life.

Equities are valued at the lower of cost or their probable market value, which is generally determined on the basis of stock market prices, for listed equities, or the BNP Paribas Group's share in net assets calculated on the basis of the most recent financial statements available, for unlisted equities. Dividends received are posted to income under "Income on equities and other variable income instruments" on a cash basis.

The cost of sold securities available for sale is determined on a first in, first out (FIFO) basis. Disposal gains or losses are reflected in the profit and loss account under "Net gains on sales of securities available for sale", as are additions to and reversals of lower of cost and market provisions.

- **Equity securities available for sale in the medium-term**

This category corresponds to investments made for portfolio management purposes, with the aim of realising a profit in the medium-term without investing on a long-term basis in the development of the issuer's business. Equity securities available for sale in the medium-term include venture capital investments.

Equity securities available for sale in the medium-term are valued at the lower of cost and fair value, taking into account the issuer's general development outlook and the planned holding period. The fair value of listed stocks corresponds primarily to the average market price determined over an appropriately long period.

- **Debt securities held to maturity**

Fixed-income securities (mainly bonds, interbank market securities, Treasury securities, and other negotiable debt securities) are recorded under "Debt securities held to maturity" to reflect the BNP Paribas Group's intention of holding them on a long-term basis. Bonds classified under this heading are financed by matching funds or hedged against interest rate exposure to maturity.

The difference between cost and the redemption price of these securities is prorated over the life of the securities in the profit and loss account. As a result, their carrying value is amortised to their redemption value over their remaining life.

Interest on debt securities held to maturity is posted to income under "Interest income on bonds and other fixed-income instruments".

A provision is made when a decline in the credit standing of an issuer jeopardises redemption at maturity.

- **Equity securities held for long-term investment**

This category includes shares and related instruments that the BNP Paribas Group intends to hold on a long-term basis in order to earn a satisfactory rate of return over the long term, without taking an active part in the management of the issuing company but with the intention of promoting the development of lasting business relationships by creating special ties with the issuer.

Equity securities held for long-term investment are recorded individually at the lower of cost and fair value. Fair value of listed securities is primarily determined according to the average market price over the previous twenty-four months or according to a more recent market price in the case of a permanent impairment in value. Fair value of unlisted securities is determined according to net asset value per share (consolidated, if applicable).

Dividends received are posted to income under "Income on equities and other variable income instruments" on a cash basis.

- **Investments in non-consolidated undertakings and Other participating interests**

This category includes affiliates in which the Group exercises significant influence over management or investments considered strategic to the Group's business development. This influence is deemed to exist when the Group holds an ownership interest of at least 10%.

Investments in non-consolidated undertakings and other participating interests are stated at the lower of cost and fair market value. Fair market value of listed securities is primarily determined according to the average market price over the previous twenty-four months or according to a more recent market price in the case of a permanent impairment in value. Fair market value of unlisted securities is determined according to net asset value per share (consolidated, if applicable).

Disposal gains or losses are recorded as "Gains (losses) on disposals of long-term assets" in the profit and loss account.

Dividends are posted to "Income on equities and other variable income instruments" when they are decided by the issuers'

NOTE 1 – ACCOUNTING POLICIES (cont'd)

shareholders or on a cash basis when the shareholders' decision is not known.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

• Investments in Companies Carried Under the Equity Method

Changes in net assets of companies carried under the equity method are posted to assets under "Investments in companies carried under equity method" and to consolidated reserves under "Retained earnings". The difference between the book value of the investment and the Group's equity in net assets at the date of acquisition is also posted to "Investments in companies carried under equity method" for the portion allocated to specific assets or liabilities.

FIXED ASSETS

In 1991 and 1992, as allowed by French regulations, Banque Nationale de Paris transferred its main operating real estate holdings to its subsidiary Compagnie Immobilière de France. This transaction covered wholly-owned buildings and buildings leased to BNP SA (the parent company) by one of its specialised subsidiaries. These buildings are intended to be held on a long-term basis. The revaluation arising from this transaction has been posted to consolidated shareholders' equity net of the related deferred tax effect and a provision for deferred taxes has been recorded. The resulting capital gain has, since 1994, been posted to the consolidated profit and loss account in proportion to the additional depreciation charge taken by Compagnie Immobilière de France.

In order to reflect what appeared to be a lasting decline in the real estate market, the BNP group wrote down the book value of the above-mentioned real estate in 1997. The impact of this adjustment, net of the related deferred tax effect, was posted to consolidated shareholders' equity, consistent with the initial adjustment. This adjustment therefore has no impact on consolidated net income.

Other buildings and equipment are stated at cost or valued in accordance with France's appropriation laws of 1977 and 1978 or, for certain foreign subsidiaries, in accordance with local rules. Revaluation differences on non-depreciable assets, recorded at the time of these legal revaluations, have been included in capital stock.

Assets leased by the Bank from specialised subsidiaries are recorded as buildings, equipment, and other under "Tangible and intangible assets".

The restructured real estate portfolio is depreciated over a fifty-year period starting from the date of transfer using the straight-line method. Depreciation of other fixed assets is computed using the straight-line method over their estimated useful lives.

BNP Paribas and its French subsidiaries depreciate tangible assets by the accelerated method in their individual company accounts. In the consolidated financial statements, depreciation is adjusted (in most cases using the straight-line method) to write off the cost of the depreciable assets over their estimated useful lives. Deferred taxes are calculated on the adjustment.

Depreciation of assets leased by BNP from its leasing subsidiaries is reflected in the profit and loss account under "Depreciation, amortisation and provisions on tangible and intangible assets".

The capitalised cost of software purchased or developed for internal use is recorded under "Intangible assets" and amortised by the straight-line method over the probable period of use of the software, not to exceed 5 years.

INTERBANK AND MONEY-MARKET ITEMS AND CUSTOMER DEPOSITS

Amounts due to credit institutions are analysed between demand accounts and time deposits and borrowings. Customer deposits are analysed between regulated savings accounts and other customer deposits. These captions include securities and other assets sold under repurchase agreements. Accrued interest is recorded on a separate line and debited to the profit and loss account.

DEBT SECURITIES

Debt securities are analysed between retail certificates of deposit, interbank market securities, negotiable certificates of deposit, bonds and other debt instruments. This caption does not include subordinated notes which are recorded under "Subordinated debt".

Accrued interest on debt securities is recorded on a separate line in the profit and loss account.

Bond issue and redemption premiums are amortised by the yield-to-maturity method over the life of the bonds. Bond issuance costs are amortised by the straight-line method over the life of the bonds.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

COUNTRY RISK PROVISIONS

Provisions for country risk are based on the evaluation of non-transfer risk related to the future solvency of each of the countries at risk and on the systemic credit risk incurred by the debtors in the event of a constant and durable deterioration of the overall situation and the economies of these countries. Country risk provisions and write-backs are reflected in the consolidated profit and loss account under "Net additions to provisions for credit risks and country risks".

PROVISIONS FOR UNFORESEEABLE INDUSTRY RISKS

The Group records provisions for unforeseeable industry and other risks in order to cover losses and expenses that are not certain of being incurred and the amount of which cannot be reliably estimated. These provisions are reversed and replaced by specific provisions in cases where the loss or expense becomes certain and can be reliably estimated.

RESERVE FOR GENERAL BANKING RISKS

The BNP Paribas Group has set up a reserve for general banking risks in accordance with the principle of prudence.

Specific additions to, and deductions from, this reserve are reflected in the consolidated profit and loss account under "Movements in the reserve for general banking risks and miscellaneous risks".

FORWARD FINANCIAL INSTRUMENTS

Forward financial instruments are purchased on various markets for use as specific or general hedges of assets and liabilities and for position management purposes.

- **Forward Interest Rate Instruments**

Interest rate futures and options contracts forming part of the trading portfolio and traded on organised exchanges are marked to market at the balance sheet date. Realised and unrealised gains and losses are taken to income under "Net gains (losses) on sales of trading account securities".

Gains and losses on certain OTC contracts representing isolated open positions are taken to income either when the contracts are unwound or on an accruals basis, depending on the nature of the instruments. Income and expenses on interest rate contracts designated at the outset as hedging operations are recognised on a symmetrical basis with the income or expense on the underlying instrument.

Provisions for contingencies are made to cover unrealised losses on a contract by contract basis, taking into account potential gains and losses on related specific hedges.

- **Forward Currency Instruments**

Options contracts are marked to market and valuation differences are posted to income. A similar treatment is used for forward exchange contracts bought and sold for trading purposes. Hedging contracts are valued at the spot price prevailing at the end of the period. Premiums and discounts on contracts designated as hedges are recognised on an accrual basis and posted to the profit and loss account over the life of the underlying hedged transaction.

- **Equity and Equity Index Derivatives**

The BNP Paribas Group buys and sells equity and equity index options for trading and hedging purposes. In the case of trading operations, unrealised gains and losses on contracts that have not been unwound by the balance sheet date are posted directly to income. Gains and losses on settled equity and equity index contracts designated as hedging operations are recognised on a symmetrical basis with the gain or loss on the underlying hedged instrument.

- **Composite Instruments**

Composite instruments (synthetic combinations of instruments recorded as a single instrument) are valued by aggregating the individual values of each basic instrument included in the composite. However, they are recorded for accounting purposes as a single instrument, with a single notional value off balance sheet and a single net movement in the consolidated profit and loss account.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

• Market Value of Financial Instruments

The market value of financial instruments for which a quoted price is not directly available is determined on the basis of the price of transactions carried out close to the year-end or prices obtained from brokers or counterparties, backed up by qualitative analyses.

CORPORATE INCOME TAX

BNP Paribas Group companies are subject to corporate income tax based on rules and rates prevailing in the countries in which they operate. In France, the standard corporate income tax rate is 33 1/3%. Long-term capital gains are taxed at a rate of 19%. Gains and losses on securities in the portfolios are taxed at the standard corporate income tax rate of 33 1/3%, with the exception of gains and losses on disposals of investments in non-consolidated undertakings and other participating interests which are taxed at the reduced rate applicable to long-term capital gains. Dividends received from companies in which the BNP Paribas Group has an ownership interest of more than 5% are non taxable. Up to 31 December 1999, the exemption applied to dividends on shareholdings in excess of 10% or more than FRF 150 million.

In 1995, the French government imposed a 10% surtax on corporate income. The rate of this surtax has been reduced to 6% for 2001 and 3% for 2002. As of 1997, the government imposed an additional 15% surtax on corporate income, which was lowered to 10% for 1999, the last year of application. A new 3.3% surtax has been levied on corporate income as from 1 January 2000. The BNP Paribas Group has taken these surtaxes into account to determine current taxes for each period concerned, and has used the liability method to adjust the amount of deferred taxes in cases where the surtaxes are expected to apply when the timing differences reverse.

A charge for corporate income tax is taken in the year in which the related taxable income and expenses are booked, regardless of the period in which the tax is actually paid. As a result, BNP Paribas Group companies book deferred taxes for all timing differences between profit and loss items for accounting and tax purposes under the liability method.

PROFIT SHARING PLAN

As required by French law, BNP Paribas and its French subsidiaries provide for profit sharing in the year in which the profit arises, and report the provision under salaries in "Operating expense" in the consolidated profit and loss account.

PENSIONS AND OTHER POSTRETIREMENT BENEFITS

Upon retirement, BNP Paribas Group employees receive pensions according to the laws and practices prevailing in the countries where BNP Paribas Group companies operate.

Outside France, BNP Paribas Group companies and their employees contribute to mandatory pension plans managed by independent organisations.

Retired employees of the BNP Paribas Group's banking subsidiaries and affiliates in France are entitled to the following pension benefits starting 1 January 1994, pursuant to a new industry-wide agreement on pensions:

- Retirees receive pension benefits from the social security system and two nation-wide organisations, which are financed by contributions received from employers and employees.
- Retirees receive additional benefits from the BNP Paribas Group pension fund and the banking industry pension funds to which certain of the Group's French subsidiaries contribute, relative to services rendered prior to 1 January 1994. Funding for these additional benefits is provided by transfers from the pension funds' existing reserves and, if necessary, by employer contributions, which are limited to a percentage of payroll costs. The amount of such additional benefits is adjusted to reflect the funding level of the pension funds and may consequently be reduced in due proportion.

The working capital contributions made to the two nation-wide pension organisations in 1994 are treated as prepaid expenses and amortised over the average number of years left to retirement of BNP's participating employees, which is currently twenty years.

NOTE 1 – ACCOUNTING POLICIES (cont'd)

EMPLOYEE BENEFITS

Under various agreements, the BNP Paribas Group is committed to pay early retirement, retirement and seniority bonuses to its employees in France and in most of the countries in which the Group does business.

Each year, the Group estimates the net present value of these commitments and adjusts the related provision.

RECOGNITION OF REVENUE AND EXPENSES

Interest and commissions qualified as interest are recognised on an accruals basis. Commissions not qualified as interest that relate to the provision of services are recognised when the service is performed.

FOREIGN CURRENCY TRANSACTIONS

Foreign exchange positions are generally valued at the official year-end exchange rate. Exchange gains and losses on transactions in foreign currency carried out in the normal course of business are recorded in the profit and loss account.

Exchange differences arising from the conversion at the year-end exchange rate of assets denominated in foreign currencies that are held on a long-term basis, including equity securities available for sale in the medium-term, the capital made available to branches and other participating interests, are not recognised in the profit and loss account.

NOTE 2 - SCOPE OF CONSOLIDATION

Changes in the scope of consolidation in 1999 and 2000 were as follows:

In 1999:

Newly-consolidated companies***Merger with Paribas***

Following two stock-for-stock tender offers for Paribas and the acquisition of Paribas shares from Paribas employees holding stock options, at 31 December 1999, BNP held 96.48% of the capital of Paribas SA (note 21). Paribas SA and all the entities in this sub-group that fulfilled the consolidation criteria applied by the BNP Group were included in the BNP Group consolidated financial statements as from 1 October 1999.

The following companies were also consolidated for the first time in 1999

	<i>Fully-consolidated companies</i>	<i>Proportionally-consolidated companies</i>	<i>Companies accounted for by the equity method</i>
<i>Newly-created companies</i>	BNP Prime Peregrine Capital Ltd HKG, BNP Prime Peregrine Securities Singapour, BNP Capital Market LLC, Jovacienne de Participations, BNP Suisse Holding SA	BNP Dresdner Bank Croatia, BNP Dresdner European AG	BNP Prime Peregrine Futures Ltd HKG, BNP Prime Peregrine Services Ltd HKG, BNP Prime Peregrine Inc (Philippines), BNP Andes
<i>Acquisitions</i>	BNP Prime Peregrine Securities Thaïlande	Création Financial Services	Fisher Francis Tree & Watts (FFTW)
<i>Companies meeting the criteria for consolidation for the first time and companies consolidated in application of the new consolidation standards</i>	BNP Securities Australia, Immobilière des Bergues	Natio Assurances	SIFIDA

Companies excluded from the scope of consolidation

	<i>Fully-consolidated companies</i>	<i>Companies accounted for by the equity method</i>
<i>Mergers</i>	Natiolocation (merged into BNP Lease), SAPEG (merged into Financière BNP), Bricoise de Participations (merged into CIP)	
<i>Companies no longer meeting the criteria for consolidation and companies excluded in application of the new consolidation standards</i>	UEB Holding, BNP Leasing Ltd, Négocéquip	Euromezzanine SCA, DGC Participations, Béarnaise de Participations, SFDI, CIMOXI, Chinonaise de Participations, UFAC, BTCI Togo

Changes in consolidation method

	<i>Fully consolidated companies previously consolidated by the proportional method</i>	<i>Fully consolidated companies previously accounted for by the equity method</i>
<i>Increase in percent interest</i>	Société Financière pour l'Outre Mer (SFOM)	
<i>Application of the new consolidation standards</i>		Nativie et BNP RE Luxembourg (insurance), Meunier Promotion (real estate development)

In 2000:

Newly-consolidated companies

	<i>Fully-consolidated companies</i>	<i>Proportionally-consolidated companies</i>	<i>Companies accounted for by the equity method</i>
<i>Newly-created companies</i>	BNP Paribas Capital Trust, PAM Milan SGR Spa, August Holdings Ltd, Klépierre Finances, Klécar France, Klecar Europe Sud, Klécar Foncier Ibérica, Klécar Foncier Espana	SCI Bassin Nord	Axa Crédit, Devimo Consult, Findomestic Sviluppo
<i>Acquisitions</i>	BD Lease, Arval PHH Holdings Uk Ltd, Arval PHH Holdings Unlimited, Arval PHH Deutschland, Zobel Investments BV, Belga Sept		CACC, Cinneo, Dongwong ITMC
<i>Companies meeting the criteria for consolidation for the first time and companies consolidated in application of the new consolidation standards (a)</i>	Arval Polska, Arval Pays-Bas, Artegy Truck Management, Arval Gestion et Location Holding, Arval PHH Holdings SAS, BNP Paribas Fleet Leasing, BNP Paribas Fund Administration, Class Leasing Gmbh, Paribas Capital Funding		BNP Private Banking Japan, COFIDIS Argentine, Centro Leasing Spa
<i>Business restructuring</i>	UEB Switzerland, BNP Paribas Services SA, Bergues Finances Holding (restructuring of the Swiss sub-group)		

(a) Paribas Capital Funding is the only company meeting the control criteria applicable to entities governed by section 10052 of CRC standard 99-07.

Companies excluded from the scope of consolidation

	<i>Fully-consolidated companies</i>	<i>Proportionally-consolidated companies</i>	<i>Companies accounted for by the equity method</i>
<i>Divestments</i>	Via Banque, Via Banque-Banque des Iles, Via Banque-Sagéfi, Paribas Asia Equity Jareseh, Sté d'Informatique et de Systèmes (SIS), Cobepa - Cie Forestière Cosylva	Cortal Direct	Assurances Banque Populaire
<i>Mergers</i>	Paribas SA et BNP Finance (merged with BNP SA), Paribas Investissement Développement (merged into Société Centrale D'Investissements), Paribas Bank of Canada (merged into BNP-Canada), Courcoux-Bouvet (merged into BNP Equities SA), COFICA, Klébaïl SA, Foncière de CETELEM (merged with CETELEM), BNP Lease et Natiocrédit (merged with BNP Paribas Lease Group -ex UFB Locabail), BNP Luxembourg (merged into Paribas Luxembourg)		
<i>Companies no longer meeting the criteria for consolidation and companies excluded in application of the new consolidation standards</i>	BNP Cooper Neff Advisors, BNP Cooper Neff Inc, SNC Immobilier Hausmann 1, SPV Paribas New-York, SAS Taitbout Paris 9, Sté de Gestion, SAS Colombier Carrières, PAM Ltd Bahamas, Paribas Bahamas Ltd Suisse, GAM CB, GEP CB, SAS Louis-Philippe, SAS Combs-La-Ville, SA de Flers, SA 25 Kléber, SAS Sinkle		Cobepa group entities: ALL TAG, Ancorabel, Arine Beheer, Codefi, Berginvest, Dehnert & Jansen, Eurovos, Interxion, Languahe Hill, Mainland Séquoia, Médiabel, Neurones, Nationale A Portefeuille, Floridienne, GIB, Sait Radioholland, Sens Label, T-Palm, Erbe SA, UCO textile, Pargesa Holding, Groupe Josi, Sopex, Uco Engineering, Cie Centrale 1909, Spaas, Zetes, Vegobeheer

Changes in consolidation method

	<i>Fully-consolidated companies previously consolidated by the proportional method</i>	<i>Fully-consolidated companies previously accounted for by the equity method</i>	<i>Proportionally-consolidated companies previously accounted for by the equity method</i>

<i>Increase in percent interest</i>	Arval SAS (ex-Europcar Lease), ICD Spa, SAS Brescia	BICI Sénégal, BICI Côte d'Ivoire, BICI Gabon, BICI Burkina Faso, SIFIDA	International Bank of South Africa (IBSA)
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Group entities that changed their name in 2000 are not included in the above tables. They are included in the list of consolidated companies at 31 December 2000, presented below, with their former name shown in brackets.

Financial institutions		Group voting interest (%)	Group ownership interest (%)
IN FRANCE			
Credit institutions			
ACCEA Finances	(1)	100.00	100.00
Antee	(1)	100.00	100.00
Arval Service Lease	(1)	100.00	99.99
Banque Cortal.....		100.00	100.00
Banque de Bretagne	(1)	100.00	100.00
Banque de la Cité	(1)	100.00	100.00
Banque de Wallis et Futuna		51.00	51.00
Banque Financière Cardif.....		100.00	100.00
BNP Factor	(1)	100.00	99.96
BNP Guadeloupe	(1)	100.00	100.00
BNP Guyane	(1)	100.00	100.00
BNP Intercontinentale (BNPI)		100.00	100.00
BNP Martinique	(1)	100.00	100.00
BNP Nouvelle Calédonie		100.00	100.00
BNP Paribas Lease Group (Ex-UFB Locabail).....	(1)	99.96	99.96
BNP Paribas Securities Services (Ex-Banexi).....	(1)	100.00	100.00
Bque Directe.....	(1)	100.00	100.00
Carnegie et Cie.....		100.00	99.93
Cetelem.....		100.00	100.00
Cie Gle Location Industrielle.....	(1)	100.00	99.99
Cie Médicale Fin.Voitures		99.98	99.98
Claas Financial Services Sas.....		90.00	89.36
Cofica Bail.....	(1)	100.00	100.00
Cofiparc SNC	(1)	100.00	99.99
Corelim SNC.....		100.00	99.93
Credial.....	(1)	100.00	100.00
Crédit Moderne Antilles		100.00	100.00
Crédit Moderne Guyane		100.00	99.99
Crédit Moderne Océan Indien.....		97.14	97.14
Effico Sarl.....	(1)	99.00	99.00
Fac Location SNC		100.00	99.96
Fidem.....		51.00	51.00
Inchcape Finance		51.00	51.00
Massilia Bail.....	(1)	100.00	99.96
Natiobail		79.16	79.16
Natiocrédibail		100.00	99.96
Natiocrédimurs		100.00	99.96
Natioénergie		100.00	99.96
Neuilly Contentieux.....		94.80	94.73
Norbail Location Snc.....		100.00	99.96
Norbail SNC		100.00	99.96
Norrskan Finance.....		51.00	51.00
Paribas Banque Privée Monaco		100.00	99.98
Paribas Dérivés Garantés		100.00	100.00
Paricomi.....		100.00	99.93
Parifergie.....		100.00	100.00
Parilease.....	(1)	100.00	100.00
Prêts et Services.....		100.00	99.93
SA Finance et Gestion.....		70.00	69.97
SA Leval 3	(1)	100.00	100.00
Same Deutz-Fahr Finance.....		99.97	99.93
Services et Finance.....		51.00	50.98
Services et Prêts Immobilier (Ex-Cetelem Immobilier)		100.00	99.92
Socappa	(1)	99.93	99.89
Sofracem.....	(1)	100.00	100.00
UCB.....		99.93	99.93
UCB Bail.....	(1)	100.00	99.93
UCB Entreprise.....	(1)	100.00	99.93
UCB Locabail Immobilier		100.00	99.92

FULLY-CONSOLIDATED COMPANIES

Financial institutions (cont'd)	Group voting interest (%)	Group ownership interest (%)
IN FRANCE (CONT'D)		
Other financial institutions		
Arius Finance	100.00	99.99
Arius S.A.	100.00	99.99
Arval Gestion & Location Holding	100.00	99.99
Arval PHH Holding SAS.....	100.00	99.99
Arval SAS (Ex-Europcar Lease)	100.00	99.99
Banexi Communication SA	(1) 100.00	100.00
Banexi Société de Capital Risque	100.00	100.00
BNP Arbitrage	(1) 100.00	100.00
BNP Développement SA	100.00	100.00
BNP Emergis	(1) 100.00	100.00
BNP Equities France	(1) 99.81	99.81
BNP Immobilier	(1) 100.00	100.00
BNP Paribas Asset Management Group (Ex-BNP Gestion).....	(1) 100.00	100.00
BNP Paribas Asset Management (Ex-PAM SA).....	100.00	100.00
Cardif Asset Management.....	(1) 100.00	100.00
Codexi	99.91	99.91
Compagnie d'Investissement de Paris "CIP"	100.00	100.00
Conseil Investissement.....	100.00	100.00
Cybele RE.....	100.00	100.00
Financière BNP.....	(1) 100.00	100.00
Firem.....	(1) 100.00	100.00
Gerfonds	99.96	99.96
Immo Investissements BNP.....	(1) 100.00	100.00
Institut de Télémarketing	(1) 99.92	99.92
Jovacienne de Participations	(1) 100.00	100.00
Natioinformatique.....	100.00	100.00
Promopart BNP.....	(1) 100.00	100.00
SNC Cortal Fund Management.....	100.00	100.00
SNC Cortal Pierre Gestion.....	100.00	100.00
Société Cristolienne de Participation.....	100.00	100.00
Société de Courtage d' Assurance Universel.....	100.00	99.96
Société Française Auxiliaire "SFA"	(1) 100.00	100.00
Other financial sector companies		
BD Lease.....	100.00	100.00
NHG Guyomarch	100.00	99.92
OUTSIDE FRANCE		
Credit institutions		
Europe		
ARVAL Belgium.....	100.00	99.99
ARVAL Espana.....	99.98	99.97
ARVAL Italy.....	55.00	61.41
ARVAL Ltd (United Kingdom) (Ex-Ryland-Multifleet Services)	75.00	74.99
ARVAL Luxembourg.....	100.00	99.99
ARVAL Portugal.....	100.00	99.99
ARVAL Polska.....	100.00	99.99
ARVAL Netherlands.....	100.00	99.99
BANCA UCB (IT)	100.00	99.96
Banque Paribas Switzerland.....	99.98	99.98
BNP Bank NV (Netherlands).....	100.00	100.00
BNP Capital Finance Ltd (Ireland)	100.00	100.00
BNP Espana.....	99.23	99.23
BNP Factor (Portugal).....	100.00	100.00
BNP Finans A/S Norge	100.00	100.00
BNP Ireland Ltd (and subsidiaries)	100.00	100.00
BNP Leasing Spa (Italy).....	100.00	100.00
BNP Paribas Lease Group SA EFC (Ex-UFB Finfactor) (Spain)...	100.00	99.96
BNP Paribas Lease Group PLC (Ex-UFB Group) (United Kingdom)	100.00	99.97
BNP Paribas Kredit Bank AG (Ex-UFB Kredit Bank) (Germany)	100.00	99.96
BNP Paribas Lease Group SPA (Ex-UFB Leasing Italia) (Italy)	100.00	99.95
BNP Paribas Lease Group GMBH (Ex-UFB Locabail Deutschland) ...	100.00	99.96
BNP Paribas Leasing GMBH (Ex-UFB Systema Leasing) (Germany)	100.00	99.96
BNP Paribas Lease Group SA Belgium (Ex-Unifactors Belgium)	100.00	99.95
BNP Paribas Net Ltd (Ex-Paribas Limited - PB Net) (United Kingdom)	100.00	100.00
BNP Paribas Private Bank Plc (Ex-BNP Plc London)	100.00	100.00
BNP Switzerland	100.00	99.99
BQUE Paribas Luxembourg.....	100.00	100.00
Cetelem Belgium	60.00	60.00

FULLY-CONSOLIDATED COMPANIES

Financial institutions (cont'd)	Group voting interest (%)	Group ownership interest (%)
OUTSIDE FRANCE (CONT'D)		
Credit institutions (cont'd)		
Cetelem Bénélux BV (Netherlands).....	100.00	100.00
Cetelem CR (Czech Republic)	65.00	65.00
Cetelem Nederland BV (Ex-United European Credit BV)	100.00	100.00
Cetelem SFAC (Portugal)	100.00	100.00
Cie Bancaire UK Fonds A (United Kingdom).....	100.00	99.97
Cie Bancaire UK Fonds B (United Kingdom)	100.00	100.00
Cie Bancaire UK Fonds D (United Kingdom).....	100.00	99.99
Claas Miet & Leasing GMBH (Ex-Claas Leasing GMBH) (Germany).....	100.00	89.96
Cortal Bank Luxembourg.....	100.00	100.00
Eurocredito (Spain).....	80.00	80.00
Evergo Finanzaria (Ex-Finer) (Italy)	60.00	59.97
Fimestic (Spain)	100.00	100.00
Fimestic Expansion (Spain).....	100.00	100.00
Magyar Cetelem (Hungary).....	100.00	100.00
Paribas Deutschland BV (Netherlands)	100.00	100.00
Paribas Finanzaria SPA (Italy)	100.00	100.00
Paribas Suisse Guernesey (Guernsey)	100.00	99.98
SIFIDA (Luxembourg).....	66.28	56.47
UCB Group LTD (United Kingdom).....	100.00	100.00
UCB Socabail Immobiliare (Italy)	100.00	99.96
UCI Grupo (Spain)	50.00	49.97
UEB (United European Bank) (Switzerland).....	100.00	99.99
UEB Switzerland	100.00	99.99
UFB Factoring ITALIA	100.00	99.95
Americas		
Banco BNP Brasil SA (Brazil)	100.00	100.00
BANCO Cetelem Argentine	60.00	60.00
BNP (Canada)	100.00	100.00
BNP (Mexico) SA	100.00	100.00
BNP (Panama) SA	91.80	91.80
BNP (Uruguay) SA	100.00	100.00
BNP Leasing Corporation Dallas (USA)	100.00	100.00
BNP Private Bank & Trust Cie Bahamas Ltd (Bahamas)	100.00	100.00
BANCWEST Corp. Group (USA).....	45.07	45.07
Paribas Finance INC (USA).....	100.00	100.00
Paribas North America (USA).....	100.00	100.00
Paribas Principal INC (USA).....	100.00	100.00
PNA - Paribas Properties Incorporated (USA).....	100.00	100.00
Asia – Pacific		
BBD Indonesia	88.00	88.00
BNP Arbitrage Hong Kong Ltd	100.00	100.00
BNP Primeeast Securities (Hong Kong)	100.00	90.00
BNP Securities Australia	100.00	100.00
Paribas Japan LTD.....	100.00	100.00
Paribas Merchant BK. Asia LTD (Singapore)	100.00	100.00
Pt BNP Lippo Utama Leasing (Indonesia)	88.00	87.98
Africa		
Banque du Caire et de Paris (Egypt)	76.00	76.00
Banque Malgache de l'Océan Indien BMOI (Madagascar)	75.00	75.00
Banque pour le Commerce et L' industrie (Comores)	51.00	51.00
BCI Mer rouge (Djibouti)	51.00	51.00
BICI Côte d' Ivoire	57.61	56.07
BICI Gabon	46.66	46.66
BICI Sénégal	54.11	52.32
BICIA Burkina Faso	51.00	46.65
BMCI (Maroc)	50.00	50.00
BMCI Leasing Maroc	71.90	35.95
Paribas Côte d'Ivoire	84.38	84.38
UBCI (Tunisia)	50.00	50.00
Union Tunisienne de leasing (Tunisia)	34.72	19.72

FULLY-CONSOLIDATED COMPANIES

Financial institutions (cont'd)	Group voting interest (%)	Group ownership interest (%)
OUTSIDE FRANCE (CONT'D)		
Other financial institutions		
Europe		
Arval PHH Holding UK Ltd (United Kingdom).....	100.00	100.00
August – Holdings Ltd (United Kingdom)	100.00	100.00
BNP Financière du Régent (Belgium)	100.00	100.00
BNP Paribas Switzerland Holding (Ex-BNP Switzerland Holding)	99.99	99.99
BNP Paribas UK Holdings Ltd (Ex-BNP UK Holdings Ltd) (UK)	100.00	100.00
BNP Paribas Asset Management UK Ltd (Ex-PAM UK Ltd) (UK)	100.00	100.00
BNP Paribas E&B Ltd (Ex-Paribas E&B Limited) (UK).....	100.00	100.00
BNP Paribas Commodity Futures Ltd (Ex-Paribas Futures LTD) (UK)	99.99	99.99
BNP Paribas CMG Ltd (Ex-PBAS Capital Markets GRP LTD) (UK).....	100.00	100.00
BNP Paribas Wigmore Loan Finance LTD (Ex-Paribas LTD – Wigmore Loan Finance LTD) (United Kingdom).....	100.00	100.00
BNP Paribas UK Limited (Ex-Paribas UK LTD)	100.00	100.00
BNP Pasfin SIM SPA (Italy)	100.00	100.00
BNP PUK Holding Limited (Ex-Paribas UK Holding LTD)	100.00	100.00
BNP SIM SA Milan (Italy)	100.00	100.00
Centro Di Telemarketing (Italy).....	50.00	50.00
Cie Bancaire UK Fonds C (United Kingdom).....	100.00	100.00
Cipango Ltd (United Kingdom)	100.00	100.00
European RE (Guernsey).....	100.00	88.65
Fund Services (Poland)	100.00	100.00
Interconti – Finance (Ireland).....	100.00	100.00
PAM Luxembourg	100.00	100.00
PAM – Milan SGR SPA (Italy).....	100.00	100.00
Paribas Fonds Marketing (Germany).....	100.00	100.00
Paribas Investment Managt GMBH (Germany)	100.00	100.00
Société Financière pour les Pays d' Outre Mer - SFOM (Switzerland) ..	100.00	100.00
Americas		
BNP Mexico Holding	100.00	100.00
BNP Paribas Investment Services LLC (Ex-BNP Capital Market LLC) (USA)	100.00	100.00
BNP Paribas Brokerage Services Inc (Ex-BNP Securities INC) (USA)	100.00	100.00
BNP US Funding LLC (USA).....	100.00	100.00
French American Banking Corporation – FABC (USA).....	100.00	100.00
Paribas DO BRASIL Consultaria Projeto (Brazil).....	100.00	100.00
Paribas Capital Funding (USA).....	100.00	100.00
Paribas Capital Trust (USA).....	100.00	100.00
PNA – Paribas Asset Management Incorporated (USA)	100.00	100.00
PNA – Paribas Corporation (USA)	100.00	100.00
PNA – Paribas Futures Incorporated (USA).....	83.00	100.00
Asia – Pacific		
BNP Equities Asia (Malaysia).....	100.00	100.00
BNP Equities Group Australia	85.63	85.63
BNP Finance Hong Kong Ltd.....	100.00	100.00
BNP Futures HKG (Hong Kong).....	100.00	100.00
BNP IFS Hong Kong Ltd	100.00	100.00
BNP Pacific Ltd (Australia)	100.00	100.00
BNP Paribas Indonésia (Ex-Pt BNP Lippo Indonésia) (Indonesia).....	100.00	99.98
BNP Prime Peregrine Capital Ltd HKG (Hong Kong).....	100.00	90.00
BNP Prime Peregrine Ltd Greater China (Malaysia).....	90.00	90.00
BNP Prime Peregrine Securities Singapore	70.00	70.00
BNP Prime Peregrine Securities Thailand	100.00	100.00
BNP Prime Peregrine Singapore Ltd.....	100.00	100.00
BNP Prime Peregrine South East Asia (Malaysia).....	100.00	100.00
BNP Securities HKG (Hong Kong)	100.00	100.00
BNP Vila Ltd (Vanuatu).....	100.00	100.00
PAM Asia Ltd Singapore	100.00	100.00
PAM Japan Ltd.....	100.00	100.00
Paribas Asia EQUITY LTD (Hong Kong)	100.00	100.00
Paribas Asia EQUITY PHILS INC (Philippines)	100.00	100.00
Paribas Asia LTD (Hong Kong).....	100.00	100.00
Paribas Capital Markets LTD (Hong Kong)	100.00	100.00
Paribas Group Australia	100.00	100.00
Paribas Investissement ASIA (Hong Kong).....	100.00	100.00

FULLY-CONSOLIDATED COMPANIES

Financial institutions (cont'd)	Group voting interest (%)	Group ownership interest (%)
OUTSIDE FRANCE (CONT'D)		
Other financial institutions (cont'd)		
Africa		
BMCI Offshore (Morocco).....	100.00	50.00
Other financial sector companies		
Bergues Finance Holding (Bahamas).....	100.00	99.99
Claas Leasing GmbH-New One (Germany).....	100.00	89.96
BNP Paribas Fund Administration (Luxembourg).....	100.00	100.00
<hr/>		
Other companies	Group voting interest (%)	Group ownership interest (%)
<hr/>		
IN FRANCE		
Real estate		
Antin Bail	(1) 100.00	100.00
CB Pierre	99.00	60.44
Cerenicim	100.00	100.00
Compagnie Immobilière de France "CIF"	(1) 100.00	100.00
Fleurantine de Participations.....	(1) 100.00	100.00
Foncière Mulhouse Nord	100.00	61.04
Immob.Marché ST. Honoré SCI	100.00	100.00
Immobilière des Bergues	100.00	100.00
KLE 31	99.92	61.07
Klecar France.....	83.13	50.74
Klecar Europe Sud.....	83.00	50.67
Klépierre	61.15	61.04
Klépierre Finances.....	100.00	61.04
Loisirs Finance SA.....	51.00	51.00
Meunier Promotion (Group)	(1) 100.00	100.00
Opale (Ex-SAS 52 Iena)	100.00	61.04
SA 37 La Perouse	(1) 100.00	100.00
SA Cecobil	50.00	30.52
SA Centrale Immobilière	100.00	61.04
SA Klecentres	82.50	50.36
SA Soaval	49.92	25.29
SA Socoseine	99.84	58.36
SA Tours Nationale	100.00	50.36
Saint André PEY Berland	100.00	50.36
SAS 192 Charles de Gaulle	100.00	61.05
SAS 21 Kléber	100.00	61.44
SAS 21 La Perouse	100.00	61.05
SAS 43 Grenelle	100.00	61.05
SAS 43 Kléber	100.00	61.05
SAS 46 Notre Dame Victoires	100.00	61.05
SAS 5 Kléber	(1) 100.00	100.00
SAS 5 Turin	100.00	61.07
SAS Baudin Levallois	100.00	61.05
SAS Baudot Massy	100.00	61.05
SAS Begles Arcins	100.00	50.36
SAS Brescia.....	100.00	50.36
SAS Cande	100.00	61.04
SAS Center Villepinte	100.00	50.38
SAS Centre Jaude Clermont	100.00	50.36
SAS Concorde Puteaux.....	100.00	61.05
SAS Daumesnil Reuilly	100.00	61.05
SAS Doumer Caen	100.00	50.34
SAS Espace Dumont d'urville	100.00	61.05
SAS Espace Kléber	100.00	61.05
SAS Etoile Résidence	(1) 100.00	100.00
SAS Issy Desmoulins (Ex-SAS Paul Doumer Rueil)	100.00	61.08
SAS Flandre	100.00	61.04
SAS Fontenay La Redoute	100.00	61.09
SAS Kléber Levallois	100.00	61.05
SAS Kléber Montigny	(1) 100.00	100.00
SAS Klebureaux	100.00	61.05
SAS Klefinances	(1) 100.00	100.00

FULLY-CONSOLIDATED COMPANIES

Other companies (cont'd)	Group voting interest (%)	Group ownership interest (%)
IN FRANCE (CONT'D)		
Real estate (cont'd)		
SAS Klegestion	100.00	61.04
SAS Klemurs	100.00	61.04
SAS Langevin Herblay	100.00	61.05
SAS Le Havre Capelet	100.00	61.04
SAS Le Havre Tourneville	100.00	61.04
SAS Leblanc Paris 15	100.00	61.05
SAS Melun ST Peres	99.98	50.36
SAS Oise Cergy	100.00	80.49
SAS Poitiers Alienor	100.00	61.04
SAS Sommer Antony	100.00	61.05
SAS Strasbourg La Vigie	100.00	50.29
SAS Suffren Paris 15	100.00	61.05
SAS Vanne Montrouge	100.00	62.99
SAS Varennes Ormes	100.00	61.05
SC Bourse	85.00	44.41
SC Cecocord	100.00	61.03
SC Rouen Cande	100.00	61.03
SCI Boulogne d'aguesseau	99.90	60.38
SCI Etoile Quinzème	99.90	60.38
SCI Les Ellipses	99.90	60.38
SCI Levallois Anatole France	99.90	60.38
SCI Levallois Michelet	99.90	60.38
SCI Paris Suffren	99.90	60.38
SCI rue du Sentier	100.00	61.04
SCI Rueil Hermes	99.90	60.38
SCI Square Chaptal 2	100.00	61.05
SCI Villepinte Le Tropical	99.90	60.38
Secmarne	61.67	33.99
SEGECE	89.99	50.66
Segece Loisirs et Transactions	95.12	48.20
SEGEFICO	(1) 100.00	100.00
SETIC	100.00	100.00
SI Immobilière 36 AV.OPERA	100.00	100.00
SNC 86 Anatole France	100.00	61.05
SNC Cecoville	100.00	61.04
SNC Couperin Foncière	100.00	61.05
SNC Foncière Saint Germain	100.00	61.05
SNC Général Leclerc 11/11bis Levallois	100.00	61.05
SNC Godefroy Puteaux	100.00	61.05
SNC Kléber La Perouse	100.00	61.04
SNC Liège 25 Paris 8eme	100.00	61.05
SNC Soccendre.....	100.00	50.66
SNC Université Paris 7eme.....	100.00	61.05
SOLOREC	100.00	53.65
STE du 23 Avenue Marignan.....	100.00	61.05
Insurance		
Cardif RD	(1) 100.00	100.00
Cardif SA	(1) 100.00	100.00
Cardif Sté Vie	(1) 100.00	100.00
Gestion Croissance	72.40	84.40
Natio-vie (Group)	(1) 100.00	100.00
Other		
Artegy Truck Management.....	100.00	99.99
BETI SNC	100.00	100.00
BINCOFI	100.00	100.00
CAPEFI	(1) 100.00	100.00
Cie d'entreprises industrielles et commerciales (C.E.I.C)	(1) 99.30	99.30
Compagnie d'entreprises et de Chemins de Fer.....	(1) 100.00	100.00
Financière Kléber.....	(1) 100.00	100.00
Foncière de la CB	100.00	100.00
KLE 22.....	(1) 99.96	99.96
KLE 65.....	(1) 100.00	100.00
KLE 66.....	(1) 100.00	100.00
Omnium Gestion Dévelop.IMMOB.....	(1) 100.00	100.00

FULLY-CONSOLIDATED COMPANIES

Other companies (cont'd)		Group voting interest (%)	Group ownership interest (%)
IN FRANCE (CONT'D)			
Other (cont'd)			
Opatra.....	(1)	100.00	99.99
Otofrance International.....	(1)	100.00	99.99
P.A.I Management.....	(1)	100.00	100.00
Parfici.....	(1)	100.00	100.00
Paribas International.....	(1)	100.00	100.00
Paribas Santé SA.....	(1)	100.00	100.00
Quatch.....	(1)	99.96	99.96
Safadeco SP.....		100.00	100.00
Safadeco SA.....	(1)	100.00	100.00
SAGAL.....	(1)	100.00	99.92
SA Antin Vendôme (Ex-Antin Gérance).....		96.67	96.67
SGCF.....	(1)	100.00	100.00
Société Centrale d'investissement.....		100.00	100.00
Sogimo SA.....	(1)	100.00	100.00
OUTSIDE FRANCE			
Insurance			
BNP Re Luxembourg.....		100.00	100.00
Cardif Assicurazioni (Italy).....		100.00	100.00
Cardif CIA SEG. VIDA (Argentina).....		100.00	100.00
Cardif Leven (Belgium).....		100.00	100.00
Cardif Provita (Czech Republic).....		100.00	100.00
Cia Seguros De Vida (Chile).....		100.00	100.00
Compania De Seguros Generales (Chile).....		100.00	100.00
Investlife Luxembourg SA.....		100.00	100.00
Pinnacle Holding (United Kingdom).....		88.65	88.65
Pinnacle Insurance (United Kingdom).....		100.00	88.65
Pinnacle Insurance Mangt Serv. (United Kingdom).....		100.00	88.65
Pinnafrica Holding LTD (South Africa).....		100.00	88.65
Pinnafrica Insurance CY (South Africa).....		100.00	88.65
Pinnafrica Insurance LIFE (South Africa).....		100.00	88.65
Real estate			
90 William Street Pty Ltd (Australia).....		100.00	100.00
Belga Sept (Belgium).....		49.99	30.52
EJENORTE (Spain).....		100.00	100.00
EJESUR (Spain).....		100.00	100.00
Great Central Railway Land (France).....	(1)	99.80	99.80
ICD SPA (Italy).....		85.00	42.81
IMMOBILIARE Magnolia SRL (Italy).....		85.00	51.89
Klecar Foncière Iberica (Spain).....		100.00	50.67
Klecar Foncière Espana (Spain).....		100.00	50.67
Monopoly(United Kingdom).....		100.00	100.00
Zobel Investment BV (Netherlands).....		100.00	61.04
Other			
Amparzo (Netherlands).....		100.00	78.25
Arval PHH Deutschland GMBH (Germany).....		100.00	81.35
Arval PHH Holding Unlimited GMBH (United Kingdom).....		80.00	81.35
BNP Paribas Capital Investments Ltd (Ex-Paribas Cap Inv) (UK).....		100.00	100.00
BNP Paribas Fleet Leasing (United Kingdom).....		100.00	99.99
BNP Paribas Mangt Services Ltd (Ex-Paribas Mangt Service Ltd) (UK).....		100.00	100.00
BNP Paribas Services SA (Switzerland).....		100.00	99.99
Cobema (Belgium).....		100.00	98.40
Cobema – Belvuco (Belgium).....		77.89	75.64
Cobema - CFA SA (Belgium).....		82.10	80.79
Cobema - Cie de Particip Intern BV (Netherlands).....		100.00	78.25
Cobema - Cie de Particip Intern SA (Luxembourg).....		97.50	95.94
Cobema - Cie Financière et Immobilière (Belgium).....		100.00	98.40
Cobema - Cie Gestion & Develop Informatiq (Belgium).....		100.00	98.40
Cobema – Cippar (Belgium).....		100.00	78.25
Cobema – Clairville (Belgium).....		100.00	98.40
Cobema – Cobema Finance (Luxembourg).....		100.00	98.40
Cobema – Cobema Technology (Belgium).....		100.00	98.40

FULLY-CONSOLIDATED COMPANIES

Other companies (cont'd)	Group voting interest (%)	Group ownership interest (%)
OUTSIDE FRANCE (CONT'D)		
Other (cont'd)		
Cobepa – Copabel SA (Belgium)	100.00	95.94
Cobepa – Coparin (Luxembourg).....	100.00	95.94
Cobepa – Financ Develop & Particip (STE)	50.00	49.20
Cobepa – Financiere Cristal SA (Luxembourg).....	100.00	78.25
Cobepa – Group T SA (Belgium)	100.00	78.25
Cobepa – Groupe Financier Liegeois (Belgium)	100.00	78.21
Cobepa – Holnor (Netherlands)	100.00	95.94
Cobepa – Internat Financing Partners SA (Luxembourg)	100.00	78.25
Cobepa – Libelux (Luxembourg)	99.98	98.38
Cobepa – Libenel (Netherlands).....	100.00	98.40
Cobepa – Lim (Netherlands).....	100.00	98.40
Cobepa – Limaco (Belgium)	100.00	75.62
Cobepa – Lucht ET Licht NV (Netherlands).....	100.00	75.62
Cobepa – Mascagni (Belgium)	100.00	75.64
Cobepa – Paribas Deelnemingen NV (Netherlands).....	100.00	92.71
Cobepa – Paribas Participation Limitee (Canada).....	97.50	95.94
Cobepa – Ramlux (Luxembourg)	100.00	75.64
Cobepa – Regio Invest Ontwik Maats (Belgium)	100.00	75.64
Cobepa – SA Mosane (Belgium)	79.52	78.25
Cobepa – Sté Financière & et de Réalisation (Belgium).....	100.00	98.40
Cobepa – Texaf (Belgium)	82.10	80.79
Cobepa – Tradexco SA (Belgium)	100.00	98.40
Cobepa – Vobis Finance (Belgium).....	50.00	49.20
Cobepa (Belgium)	98.40	98.40
Cobepa International (Netherlands)	100.00	98.40
Luxpar Réassurance (Luxembourg).....	100.00	100.00
Ottomane CIE Financière (Luxembourg)	96.41	96.40
Paribas International BV (Netherlands).....	100.00	100.00
Paribas Sante Intern.BV (Netherlands)	100.00	100.00
Paribas Trust Luxembourg	100.00	100.00
Plagefin (Luxembourg)	99.99	99.99
Sagip (Belgium)	100.00	100.00

PROPORTIONALLY-CONSOLIDATED COMPANIES

Financial institutions	Group voting interest (%)	Group ownership interest (%)
IN FRANCE		
Credit institutions		
Case Credit Europe	50.00	49.98
Other financial institutions		
Antarius	50.00	50.00
Axeria Assurances	35.00	35.00
C.F.J.P.E	50.00	50.00
Dartem	50.00	50.00
Finaref RD	40.00	40.00
Finaref VIE	40.00	40.00
OUTSIDE FRANCE		
Credit institutions		
Europe		
Arval Suisse LHS	50.00	50.00
BNP AK Dresdner Bank AS (Turkey)	30.00	30.00
BNP Dresdner Bank (Polska) SA	50.00	50.00
BNP Dresdner Bank AD (Bulgaria)	40.00	40.00
BNP Dresdner Bank CR/AS (Czech Republic)	50.00	50.00
BNP Dresdner Bank Croatia	50.00	50.00
BNP Dresdner Bank Z A O (Russia)	50.00	50.00
BNP Dresdner European Bank AG (Austria)	50.00	50.00
BNP KH Dresdner Bank Rt (Hungary)	50.00	50.00
Case Credit UK LTD	50.00	49.98
Case Leasing (Germany)	50.00	49.98
CNH Capital Europe (Ex-Case Credit Europe) (Germany)	50.00	49.98
Creation Financial Services (United Kingdom)	76.13	76.13
Africa		
Attijari Cetelem (Morocco)	50.00	50.00
Attijari Locabail (Morocco)	50.00	49.98
International Bank of Southern Africa - SFOM Ltd (South Africa)	60.53	60.53
Americas		
Dresdner Banque Nationale de Paris Chile (Chile)	44.15	44.15
Inversiones Dresdner BNP Chile (Chile)	50.00	50.00
Asia – Pacific		
International Bank of Paris and Shanghai (People's Republic of China)	50.00	50.00
Other financial institutions		
Europe		
BNP AK Dresdner Finansal Kiralama (Turkey)	30.00	29.99
Centro Vita ASS (Italy)	49.00	49.00
Poczsta Polska (Poland)	48.00	48.00
Americas		
Dresdner BNP Chile Corredores de Bolsa (Chile)	50.00	50.00
Other companies		
IN FRANCE		
Insurance		
Natio-Assurances	50.00	50.00
Real estate		
SCI Antin Vendome	50.00	30.52
SCI Bassin Nord	50.00	30.52
SAS ESPACE Cordeliers	50.00	30.52
SAS LE Havre Lafayette	40.00	24.42
SAS LE Havre Vauban	40.00	24.42

COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Financial institutions	Group voting interest (%)	Group ownership interest (%)
IN FRANCE		
Credit institutions		
AXA Crédit	35.00	35.00
BQE Petrofigaz	44.81	44.81
C.I.G. (Ex-3 CVD).....	15.00	15.00
CLF Locabail SAS.....	40.00	39.98
Cofinoga	49.00	54.00
Covefi	34.00	34.00
Facet.....	38.85	38.85
Finalion	49.00	49.00
Finama.....	49.00	49.00
Société Française du Chèque de Voyage	21.00	21.00
STE Paiement Pass.....	40.01	40.01
Other financial institutions		
Euromezzanine SCA 2	31.61	31.61
Fougerolle Financière SAE.....	49.82	49.82
Laser.....	9.80	9.80
Novacredit	34.00	34.00
OUTSIDE FRANCE		
Credit institutions		
Europe		
ATF Turquie.....	38.55	38.55
Cetelem Polska Expansion (Poland)	100.00	100.00
Cofidis Belgium	15.00	15.00
Cofidis Hispania	15.00	15.00
Cofidis UK	15.00	15.00
Fimaser (Belgium)	40.00	40.00
Findomestic (Italy)	42.74	42.74
Fipryca (Spain)	40.00	40.00
Fortis Credit (Belgium)	45.00	27.00
Halifax Cetelem Finance Ltd (United Kingdom).....	50.00	50.00
Vecofin (Italy).....	15.00	15.00
Asia		
BNP Private Banking Japan	100.00	99.99
Carrefour Financial Consulting (Taiwan).....	40.00	40.00
CETELEM Services Korea	100.00	100.00
Africa		
The Commercial Bank of Namibia Ltd CBON (Namibia)	43.84	43.84
Americas		
Banco Servicios Financieros (Argentina).....	40.00	40.00
BNP Andes (Peru)	100.00	100.00
CACC (Brazil).....	40.00	40.00
CETELEM America (Brazil)	100.00	100.00
Cofidis Argentine	34.00	34.00
Other financial institutions		
Americas		
BNP Canada - Valeurs mobilières	100.00	100.00
Fisher Francis Trees and Watts (USA)	24.90	61.80
Europe		
Cortal Belgique	40.00	40.00
Asia – Pacific		
BNP Prime Peregrine Futures Ltd HKG (Hong Kong)	100.00	90.00
BNP Prime Peregrine Inc. Philippines	100.00	100.00
BNP Prime Peregrine Services Ltd HKG (Hong Kong)	100.00	90.00
PT BNP Paribas Peregrine (Ex-BNP Primeast Indonesia)	100.00	98.20

COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Financial institutions (cont'd)	Group voting interest (%)	Group ownership interest (%)
OUTSIDE FRANCE (CONT'D)		
Other financial sector companies		
Europe		
Centro Leasing Spa (Italy).....	27.62	27.61
Asia – Pacific		
Dongwong ITMC (South Korea).....	30.00	30.00
<hr/>		
Other companies	Group voting interest (%)	Group ownership interest (%)
IN FRANCE		
Real estate		
SCI Secovalde	40.00	24.42
Other		
AXA Refinance	21.00	21.00
Finaxa	22.31	22.31
RIVP-Regie Immob.Ville Paris	30.79	30.79
SINVIM.....	(1) 100.00	100.00
OUTSIDE FRANCE		
Real estate		
Cinneo (Italy).....	34.00	10.38
Devimo Consult.....	35.00	17.73
Other		
Findomestic Sviluppo (Italy).....	42.74	42.74

(1) Members of the BNP Paribas SA tax group as of 1 January 2000

NOTE 3 – CONTRIBUTIONS OF THE PARIBAS SUB-GROUP TO BNP PARIBAS GROUP NET ASSETS AND NET INCOME IN 1999

A) Consolidated balance sheet at 31 December 1999: contribution of Paribas and its subsidiaries

In millions of euros	BNP and subsidiaries (excluding Paribas)	Paribas and subsidiaries	BNP Paribas Group
ASSETS			
Interbank and money market items	134,045	93,561	227,606
Customer items	154,180	59,215	213,395
Insurance company investments	27,927	20,002	47,929
Bonds and other fixed-income instruments	23,629	33,649	57,278
Equities and other variable income instruments	12,529	14,153	26,682
Equity securities available for sale in the medium-term, investments in non-consolidated undertakings and other participating interests	3,075 (1)	4,743	7,818
Investments in companies carried under the equity method	233	2,030	2,263
Tangible and intangible assets	2,572	2,598	5,170
Accrued income and other assets	50,218	58,877	109,095
Goodwill	226	1,163	1,389
TOTAL ASSETS	408,634	289,991	698,625
LIABILITIES AND SHAREHOLDERS' EQUITY			
Interbank and money market items	118,616	112,457	231,073
Customer deposits	122,847	26,156	149,003
Debt securities	43,704	33,395	77,099
Technical reserves of insurance companies	27,849	19,875	47,724
Accrued expenses and other liabilities	70,526	81,212	151,738
Provisions for contingencies and charges	3,139	3,027	6,166
Subordinated debt	9,117	2,860	11,977
Reserves for General Banking Risks	1,037	3	1,040
Shareholders' equity (1)	10,336	10,822	21,158
Net income	1,463	184	1,647
– Net income attributable to the Group	1,311	173	1,484
– Minority interests	152	11	163
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	408,634	289,991	698,625
COMMITMENTS GIVEN AND RECEIVED			
Financing commitments given	87,622	34,169	121,791
Financing commitments received	4,426	6,807	11,233
Guarantees and endorsements given	38,055	18,908	56,963
Guarantees and endorsements received	37,387	2,647	40,034
Securities to be received	4,574	5,662	10,236
Securities to be delivered	6,280	6,445	12,725
Commitments incurred on forward and options contracts	3,888,271	3,489,569	7,377,840

(1) After elimination of BNP's interest in Paribas

NOTE 3 – CONTRIBUTIONS OF THE PARIBAS SUB-GROUP TO BNP PARIBAS GROUP NET ASSETS AND NET INCOME IN 1999
(cont'd)

B) Consolidated profit and loss account for the year ended 31 December 1999: contribution of Paribas and its subsidiaries

In millions of euros	BNP and subsidiaries (excluding Paribas)	Paribas and subsidiaries (4th quarter 1999)	BNP Paribas Group
<i>Net banking income</i>	9,015	1,191	10,206
Gross operating income	3,240	224	3,464
Operating income	2,642	120	2,762
Income before tax, non-recurring items, amortisation of goodwill and movements in the reserve for general banking risks	3,324	368	3,692
Net income before BNP-Paribas merger-related restructuring costs	1,906	173	2,079
Net income	1,311	173	1,484

NOTE 4 – INTERBANK AND MONEY MARKET ITEMS

In millions of euros, at 31 December	2000			1999	1998
	Gross	Provisions	Net	Net	Net
Cash and amounts due from central banks and post office banks	8,245	(105)	8,140	6,031	3,666
Treasury bills and money-market instruments (note 7)	59,617	(69)	59,548	61,803	40,394
Due from credit institutions					
Demand accounts	14,599	(35)	14,564	11,284	4,036
Term loans and time deposits (a)	21,239	(245)(b)	20,994	34,697	28,380
Repurchase agreements:					
Securities received under resale agreements	92,819		92,819	106,873	36,711
Bills purchased outright or under resale agreements	1,932		1,932	6,591	2,061
Total securities and bills purchased outright or under resale agreements	94,751	-	94,751	113,464	38,772
Subordinated loans	305	(1)	304	327	110
Total due from credit institutions	130,894	(281)	130,613	159,772	71,298
Total interbank and money market items	198,756	(455)	198,301	227,606	115,358
<i>Including accrued interest</i>			<i>4,045</i>	<i>3,129</i>	<i>1,737</i>

(a) "Term loans and time deposits" include overnight and term loans which are not represented by a bill or security, particularly financial credits. Financial credits correspond to commercial loans with an initial term of more than one year granted to credit institutions, where the ultimate borrowers are business entities other than financial sector companies, generally from developing countries on which the transfer risk has been provided for (Note 9).

(b) General provisions for country risks.

NOTE 5 – CUSTOMER ITEMS

In millions of euros, at 31 December	2000			1999	1998
	Gross	Provisions	Net	Net	Net
Due from customers					
Commercial and industrial loans	10,115	(40)	10,075	8,576	6,573
Overdrafts	15,931		15,931	13,669	11,085
Other credits					
– Short-term loans	40,224		40,224	42,655	22,945
– Mortgage loans	34,986		34,986	33,211	21,344
– Investment loans	19,346		19,346	27,768	15,878
– Export loans	10,029	(929)	9,100	7,541	3,527
– Other customer loans	58,326	(57)	58,269	50,736	42,910
Total other credits	162,911	(986) (a)	161,925	161,911	106,604
Doubtful customer loans	12,486	(8,543)	3,943	3,930	2,886
Accrued interest	1,650		1,650	1,282	738
Securities and bills purchased outright or under resale agreements	18,597		18,597	7,279	10,267
Subordinated loans (b)	212	(32)	180	467	130
Total due from customers(c)	221,902	(9,601)	212,301	197,114	138,283
Leasing receivables	19,014	(405)	18,609	16,281	9,258
Total customer items	240,916	(10,006)	230,910	213,395	147,541
<i>Including accrued interest</i>			1,919	1,491	948

(a) General provisions for country risks.

(b) Participating loans granted to BNP Paribas customers included under "Subordinated loans" amounted to EUR 102 million at 31 December 2000 (EUR 339 million at 31 December 1999 and EUR 100 million at 31 December 1998).

(c) Loans qualifying for refinancing by the French Central Bank amounted to EUR 18,244 million at 31 December 2000 (EUR 12,233 million at 31 December 1999 and EUR 10,296 million at 31 December 1998).

NOTE 6 – INSURANCE COMPANY INVESTMENTS

In millions of euros, at 31 December	2000	1999	1998
Real estate	1,081	1,015	609
Equities, mutual funds and other variable income instruments	2,697	2,288	1,060
Bonds and other fixed-income instruments	25,665	24,925	15,524
Admissible assets related to unit-linked business	23,087	18,496	5,408
Reinsurers' share of technical reserves	690	496	26
Other	447	-	-
Accrued interest	978	709	500
Insurance company investments	54,645	47,929	23,127

NOTE 7 – TRADING ACCOUNT SECURITIES, SECURITIES AVAILABLE FOR SALE AND DEBT AND EQUITY SECURITIES AVAILABLE FOR SALE IN THE MEDIUM-TERM

In millions of euros, at 31 December	2000				1999		1998	
	Gross value	Provisions	Net book value	Market value	Net book value	Market value	Net book value	Market value
Trading account securities:								
Treasury bills and money market instruments	31,237		31,237	31,237	32,136	32,136	20,220	20,220
Bonds and other fixed-income instruments	15,856		15,856	15,857	31,899	31,899	6,237	6,237
Equities and other variable income instruments	36,157	(2)	36,155	36,155	25,250	25,250	6,208	6,208
Own shares held within the Group	262		262	262	63	63	7	7
Total trading account securities	83,512	(2)	83,510	83,511	89,348	89,348	32,672	32,672
<i>Including: unlisted equities and bonds</i>	<i>1,969</i>		<i>1,969</i>	<i>1,969</i>	<i>836</i>	<i>836</i>	<i>300</i>	<i>300</i>
Securities available for sale :								
Treasury bills and money market instruments	6,623	(69)	6,554	6,771	7,993	8,133	1,191	1,186
Bonds and other fixed-income instruments	6,485	(872)	5,613	6,003	11,229	11,572	3,834	3,934
Equities, other variable income securities and equity securities available for sale in the medium-term	2,817	(214)	2,603	3,289	1,366	1,508	355	407
Own shares held within the Group					3	4	-	-
Total securities available for sale and equity securities available for sale in the medium-term	15,925	(1,155)	14,770	16,063	20,591	21,217	5,380	5,527
<i>Including: unlisted equities and bonds</i>	<i>3,169</i>	<i>(1,022)</i>	<i>2,147</i>	<i>2,713</i>	<i>1,920</i>	<i>2,126</i>	<i>1,123</i>	<i>1,195</i>
Debt securities held to maturity:								
Treasury bills and money market instruments	21,757	-	21,757	21,909	21,674		18,983	19,479
Bonds and other fixed-income instruments	10,507	(21)	10,486	10,523	14,150		6,543	6,504
Total debt securities held to maturity	32,264	(21)	32,243	32,432	35,824		25,526	25,983
<i>Including unlisted bonds</i>	<i>1,419</i>	<i>(2)</i>	<i>1,417</i>	<i>1,374</i>	<i>1,331</i>		<i>706</i>	<i>706</i>
Total trading account securities, securities available for sale, debt and equity securities available for sale in the medium-term (a) :	131,701	(1,178)	130,523	132,006	145,763		63,578	64,182
<i>Including :</i>								
Treasury bills and money market instruments	59,617	(69)	59,548	59,917	61,803		40,394	40,885
Bonds and other fixed-income instruments	32,848	(893)	31,955	32,383	57,278		16,614	16,675
<i>Including unlisted bonds</i>	<i>4,075</i>	<i>(845)</i>	<i>3,230</i>	<i>3,611</i>	<i>3,114</i>		<i>1,752</i>	<i>1,820</i>

Equities, other variable income securities and equity securities available for sale in the medium-term								
	39,236	(216)	39,020	39,706	26,682		6,570	6,622
<i>Including: unlisted equities</i>	2,482	(179)	(2,303)	2,445	973		377	380

- (a) Mutual fund shares held by the BNP Paribas Group amounted to EUR 2,094 million at 31 December 2000 (EUR 2,106 million at 31 December 1999 and EUR 405 million at 31 December 1998). This amount includes EUR 1,944 million in growth funds, of which EUR 1,596 million incorporated in France (EUR 917 million at 31 December 1999 of which EUR 798 million incorporated in France and EUR 99 million at 31 December 1998 of which EUR 23 million incorporated in France).

NOTE 7 - TRADING ACCOUNT SECURITIES, SECURITIES AVAILABLE FOR SALE AND DEBT AND EQUITY SECURITIES AVAILABLE FOR SALE IN THE MEDIUM-TERM (cont'd)

Over the past three years, securities were reclassified among the various portfolios as follows:

Former classification	New classification	Amount transferred during period (in millions of euros)		
		2000	1999	1998
Trading account securities	Securities available for sale	63	535	232
Securities available for sale	Debt securities held to maturity	168	8	567
Debt securities held to maturity	Securities available for sale	481	74	2
Trading account securities	Debt securities held to maturity	-	15	12

Net premiums on debt securities held to maturity, reflecting an acquisition price higher than the redemption price, amounted to EUR 147 million at 31 December 2000 (EUR 494 million at 31 December 1999 and EUR 153 million at 31 December 1998). These premiums are amortised over the remaining life of the securities.

Net discounts on securities available for sale, reflecting a redemption price higher than the acquisition price, amounted to EUR 37 million at 31 December 2000.

Receivables corresponding to securities lent amounted to EUR 5,079 million at 31 December 2000 (EUR 3,264 million at 31 December 1999 and EUR 409 million at 31 December 1998).

Accrued interest on fixed-income securities was EUR 873 million at 31 December 2000 (EUR 994 million at 31 December 1999 and EUR 658 million at 31 December 1998).

One of the Group subsidiaries engaged in arbitraging on stock market indexes held 3,051,270 BNP Paribas SA shares at 31 December 2000, under trading account securities.

NOTE 8 - INVESTMENTS IN NON-CONSOLIDATED UNDERTAKINGS, OTHER PARTICIPATING INTERESTS AND EQUITY SECURITIES HELD FOR LONG-TERM INVESTMENT

In millions of euros, at 31 December	2000			1999		1998	
	Gross book value	Net book value	Fair market value	Net book value	Fair market value	Net book value	Fair market value
Equity securities held for long-term investment							
Unlisted securities:	2,541	2,200	2,836	1,243	1,582	326	371
Listed securities :	3,121	3,064	6,693	2,234	5,562	1,365	2,164
Total equity securities held for long-term investment	5,662	5,264	9,529	3,477	7,144	1,691	2,535
Investments in non-consolidated undertakings and other participating interests (a):							
Investments in non-consolidated undertakings	548	341	366	296	340	290	300
Other participating interests							
Unlisted securities:	1,791	1,286	1,357	2,389	3,140	682	811
Listed securities :	1,162	1,150	3,031	1,656	5,135	813	1,654
Total other participating interests	2,953	2,436	4,388	4,045	8,275	1,495	2,465
Total investments in non-consolidated undertakings and other participating interests	3,501	2,777	4,754	4,341	8,615	1,785	2,765
Total investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment	9,163	8,041	14,283	7,818	15,759	3,476	5,300

(a) The fair market value of unlisted investments in non-consolidated undertakings and other unlisted equity investments is determined based on the value of the BNP Paribas Group's equity in the underlying net assets.

Investments in non-consolidated credit institutions amounted to EUR 209 million at 31 December 2000 (EUR 17 million at 31 December 1999 and EUR 59 million at 31 December 1998). Investments in credit institutions included in "Other participating interests" amounted to EUR 441 million at 31 December 2000 (EUR 540 million at 31 December 1999 and EUR 276 million at 31 December 1998).

Net unrealised gains on investments in non-consolidated undertakings, other participating interests and equity securities held for long-term investment amounted to EUR 6,242 million at 31 December 2000 (EUR 7,941 million at 31 December 1999 and EUR 1,829 million at 31 December 1998). Unrealised gains on listed securities included in the above portfolios are determined by reference to their market price.

NOTE 9 – PROVISIONS FOR CREDIT RISKS AND COUNTRY RISKS

In millions of euros, at 31 December	2000	1999	1998
At 1 January	12,433	8,685	8,570
Net additions during the period	1,105	648	1,028
Write-offs during the period cover by provisions	(1,423)	(863)	(820)
Effect of changes in Group structure – consolidation of Paribas and its subsidiaries		3,637	
Translation adjustments and other changes	427	326	(93)
At 31 December	12,542	12,433	8,685
Breakdown of provisions :			
– Provisions deducted from assets:			
• On interbank items (a)	456	168	755
• On customer items (note 5)	10,006	10,273	5,844
• On securities (a)	783	691	609
Total provisions deducted from assets (b)	11,245	11,132	7,208
<i>including provisions for country risks</i>	2,288	2,193	1,525
– Provisions recorded under liabilities:			
• To cover off-balance sheet commitments	459	383	553
• To cover other credit risks	838	918	924
Total provisions recorded under liabilities	1,297	1,301	1,477
<i>including provisions for country risks</i>	732	678	790
Total provisions for credit risks and country risks	12,542	12,433	8,685

(a) Provisions on loans to credit institutions mainly concern financial credits (note 4) exposed to country risk. Provisions on securities shown in the above table cover the country risk affecting securities held by the BNP Paribas Group.

(b) Receivables purchased or swapped are stated at face value. Premiums and differences between purchase price and face value are therefore recorded as provisions.

Provisions for credit risks on assets are deducted from the carrying value of the assets. Provisions recorded under liabilities include provisions for losses on off-balance sheet commitments, provisions for claims and litigation, provisions for general risks and provisions for unforeseen industry risks.

Provisions covering principal and interest, premiums and discounts on sovereign loans amounted to EUR 2,955 million at 31 December 2000 (EUR 2,871 million at 31 December 1999 and EUR 2,315 million at 31 December 1998).

NOTE 9 - PROVISIONS FOR CREDIT RISKS AND COUNTRY RISKS (cont'd)

In millions of euros	2000	1999	1998
Additions to provisions for credit risks and country risks:			
• Customer and interbank items	2,003	1,281	1,463
• Off-balance sheet commitments	72	56	214
• Securities	64	70	338
• Other credit risks	93	21	30
Total additions to provisions for credit risks and country risks	2,232	1,428	2,045
Recoveries and utilisations of provisions for credit risks and country risks:			
• Customer and interbank items	(934)	(523)	(907)
• Off-balance sheet commitments	(111)	(138)	(40)
• Securities	(25)	(110)	(2)
• Other credit risks	(57)	(9)	(68)
Total recoveries and utilisations of provisions for credit risks and country risks	(1,127)	(780)	(1,017)
Net additions to provisions for credit risks and country risks	1,105	648	1,028
Write-offs not covered by provisions	248	138	123
Recoveries of amounts written off	(285)	(44)	(75)
Cancellation of net (addition to) deduction from provisions for interest arrears recorded under net banking income	73	(40)	130
Net charge for the period for credit risks and country risks	1,141	702	1,206
including :			
• Net charge to provisions for credit risks	1,181	812	799
• Net charge to provisions for country risks	(40)	(110)	407

NOTE 10 – TANGIBLE AND INTANGIBLE ASSETS

In millions of euros, at 31 December	2000			1999	1998
	Gross	Depreciation, Amortisation and Provisions	Net	Net	Net
Intangible assets :					
- Computer software	694	(547)	147	122	115
- Other intangible assets	326	(133)	193	170	117
Total intangible assets	1,020	(680)	340	292	232
Tangible assets :					
- Land and buildings	3,300	(1,068)	2,232	2,286	1,282
- Rental properties	1,923	(526)	1,397	988	
- Equipment, furniture and fixtures	3,882	(2,438)	1,444	1,348	797
- Other fixed assets	418		418	256	100
Total tangible assets	9,523	(4,032)	5,491	4,878	2,179
Total tangible and intangible assets	10,543	(4,712)	5,831	5,170	2,411

Operating Assets

In 1991 and 1992, as allowed by French regulations, Banque Nationale de Paris transferred its main operating real estate holdings to its subsidiary Compagnie Immobilière de France. The book value of the assets was increased by EUR 1,156 million, and the corresponding capital gain was posted to consolidated shareholders' equity under "capital gains on restructuring", net of the related tax effect (note 21). In order to reflect what appeared to be a lasting decline in the real estate market, in 1997 the book value of these real estate assets was written down by EUR 545 million. The adjustment, net of the related tax effect, was recorded in the balance sheet under "capital gains on restructuring", consistently with the initial adjustment.

The operating assets held by Paribas and its subsidiaries at the time of the merger are stated at historical cost.

Depreciation and provisions on rental properties include a EUR 152 million provision booked in accordance with the principle of prudence to cover unrealised losses on the rental properties held by Compagnie Bancaire.

Non-operating Assets

Non-operating land and buildings amounted to EUR 1,442 million at 31 December 2000 (EUR 1,183 million at 31 December 1999 and EUR 29 million at 31 December 1998).

Depreciation, Amortisation and Provisions

The charge for depreciation, amortisation and provisions recorded in 2000 amounted to EUR 528 million (EUR 425 million in 1999 and EUR 335 million in 1998).

NOTE 11 - ACCRUED INCOME AND OTHER ASSETS

In millions of euros, at 31 December	2 0 0 0	1 9 9 9	1 9 9 8
Accrued income and other adjustment accounts			
Valuation adjustment account (a)	14,401	9,922	3,209
Accrued income	6,984	7,808	2,534
Collection account	5,086	4,072	1,924
Other adjustment accounts (b)	14,710	6,017	3,268
Total accrued income and other adjustment accounts	41,181	27,819	10,935
Other assets			
Premiums on purchased options	54,033	56,513	11,873
Investments in <i>Codevi</i> "industrial development" securities	3,284	2,495	2,476
Deferred tax assets	1,450	1,588	432
Other insurance company assets	627	440	636
Other	20,034	20,240	4,987
Total other assets	79,428	81,276	20,404
Total accrued income and other assets	120,609	109,095	31,339

(a) Mark-to-market gains and losses on foreign exchange instruments and forward instruments.

(b) Includes prepaid interest on customer and interbank accounts and prepaid expenses.

NOTE 12 - GOODWILL

In millions of euros, at 31 December	2000	1999	1998
Net amount at 1 January	1,389	215	79
Goodwill carried in the Paribas Group balance sheet at 1 October 1999		1,145	
Goodwill on acquisitions made during the year	1,418	133	163
Translation adjustment	(12)	12	(3)
Amortisation of goodwill	(173)	(116)	(24)
Exceptional amortisation of goodwill on investments held for sale	(82)		
Unamortised goodwill at 31 December	2,540	1,389	215

Net amortisation of goodwill totalled EUR 145 million in 2000 (EUR 111 million in 1999 and EUR 16 million in 1998), after deducting EUR 28 million in amortisation of negative goodwill (EUR 5 million in 1999 and EUR 8 million in 1998).

Goodwill on acquisitions made during 2000 includes goodwill on the acquisition of Cobepa shares for EUR 504 million and on Arval shares for EUR 680 million.

NOTE 13 – INTERBANK AND MONEY MARKET ITEMS AND SECURITIES

In millions of euros, at 31 December	2000	1999	1998
Interbank and money market items			
Demand accounts	12,921	10,663	6,323
Time deposits and borrowings	77,683	102,250	54,224
Securities and bills sold outright or under repurchase agreements :			
• Securities given under repurchase agreements	101,365	106,147	39,459
• Bills sold outright or under repurchase agreements	4,286	12,013	7,097
Total securities and bills sold outright or under repurchase agreements	105,651	118,160	46,556
Total interbank and money market-items	196,255	231,073	107,103
Debt securities issued to credit institutions			
Interbank market securities	540	623	172
Total interbank items and money market securities	196,795	231,696	107,275
<i>Including accrued interest</i>	<i>4,399</i>	<i>3,621</i>	<i>2,081</i>

Interbank demand deposits amounted to EUR 12,383 million at 31 December 2000 (EUR 10,160 million at 31 December 1999 and EUR 2,904 million at 31 December 1998).

NOTE 14 - CUSTOMER DEPOSITS, RETAIL CERTIFICATES OF DEPOSIT AND NEGOTIABLE CERTIFICATES OF DEPOSIT

In millions of euros, at 31 December	2000	1999	1998
Customer deposits :			
Demand accounts	55,122	48,407	36,109
Time accounts	71,427	62,653	42,486
Regulated savings accounts	28,965	31,639	31,291
Repurchase agreements:			
Securities given under repurchase agreements	17,170	6,205	7,569
Bills sold outright or under repurchase agreements	193	99	28
	17,363	6,304	7,597
Total customer deposits	172,877	149,003	117,483
Bonds and negotiable short-term debt instruments:			
Negotiable certificates of deposit	53,215	55,005	24,081
Retail certificates of deposit	6,683	5,793	4,863
	59,898	60,798	28,944
Total bonds and negotiable short-term debt instruments	59,898	60,798	28,944
Total customer deposits, retail certificates of deposit and negotiable certificates of deposit	232,775	209,801	146,427
<i>Including accrued interest</i>	<i>1,487</i>	<i>1,081</i>	<i>851</i>

Regulated demand savings deposits, including savings collected for investment, totalled EUR 12,697 million at 31 December 2000 (EUR 13,190 million at 31 December 1999 and EUR 9,643 million at 31 December 1998). Other customer demand deposits amounted to EUR 55,527 million at 31 December 2000 (EUR 48,797 million at 31 December 1999 and EUR 36,397 million at 31 December 1998).

NOTE 15- BOND ISSUES

The following table shows bonds issued by the Group by currency, contractual interest rate and maturity

Issuing currency In millions of euros	Average interest rate	<i>Balance outstanding at 31 December 2000</i>	2001	2002	2003	2004	2005	2006 2010	Beyond
Bonds converted into euros	Variable 6.18%	1,980 2,728	385 116	1,392 407	125 20	1	–	78 155	2,029
Bonds in euro zone currencies not converted into euros									
▪FRF	Variable 6.95%	782 6,965	1,268	152	183 344	610	264 770	335 3,592	229
▪DM	8.40%	102	102						
▪Other	10.0%	322	–		78	37		207	
Sub-total – euro zone issues	Variable 6.85 %	2,762 10,117	385 1,486	1,392 559	308 442	– 648	264 770	413 3,954	– 2,258
Other:									
▪US dollar	Variable 5.84%	106 1,363		106 1,331	32				
▪Yen	Variable 1.00%	139 9	139 9						
▪Other	8.30%	560	39	235	236	11	–	39	
Total bonds issued		15,056	2,058	3,623	1,018	659	1,034	4,406	2,258
BNP Paribas Group bonds held by consolidated companies		(186)							
Total BNP Paribas Group bonds outstanding		14,870							
Accrued interest		326							
Total bond issues		15,196							

Unamortised premiums on the various BNP Paribas Group bond issues outstanding, representing the difference between the proceeds of the issues and their redemption price, totalled EUR 29 million at 31 December 2000 (EUR 35 million at 31 December 1999).

NOTE 16 – TECHNICAL RESERVES OF INSURANCE COMPANIES

In millions of euros, at 31 December	2000	1999	1998
Life technical reserves	29,107	27,533	18,146
Non-life technical reserves	1,147	874	189
Technical reserves – unit-linked business	23,125	18,889	5,454
Capitalisation reserve	490	428	231
Accrued interest	224		
Total technical reserves	54,093	47,724	24,020

Additions are made to the capitalisation reserve at the time of sale of amortisable securities in order to defer part of the net realised gain and maintain the yield-to-maturity of the securities.

NOTE 17 - ACCRUALS AND OTHER LIABILITIES

In millions of euros, at 31 December	2000	1999	1998
Accruals:			
Accrued liabilities	5,989	7,704	2,297
Valuation adjustment account (a)	11,194	7,384	4,853
Collection account	901	774	153
Other accruals	21,262	6,089	1,486
Total accruals	39,346	21,951	8,789
Other liabilities:			
Liabilities related to written options	46,635	58,670	12,381
Liabilities related to securities transactions	24,524	21,567	10,262
Deferred tax liabilities	2,377	2,080	962
Other insurance liabilities	276	85	1,416
Other payables and liabilities	39,102	47,382	5,296
Total other liabilities	112,914	129,784	30,317
Total accruals and other liabilities	152,260	151,735	39,106

(a) Mark-to-market losses on foreign exchange instruments and forward instruments.

NOTE 18 - PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros, at 31 December	2000	1999	1998
Provisions for pensions and other postemployment benefits	1,235	1,154	643
Provisions for credit risks and equivalents (note 9)	620	700	706
Provisions for off-balance sheet commitments (note 9)	459	383	553
Provisions for industry risks (note 9)	218	218	218
Other provisions			
- Restructuring (note 38)	780	1,110	-
- Other	2,275	2,601	746
Total provisions for contingencies and charges	5,587	6,166	2,866

Off-balance sheet commitments covered by provisions amounted to EUR 2,644 million at 31 December 2000 (EUR 1,384 million at 31 December 1999 and EUR 913 million at 31 December 1998).

NOTE 19 – SUBORDINATED DEBT

In millions of euros, at 31 December	2000	1999	1998
Subordinated medium- and long-term debt	9,001	9,372	6,261
Undated subordinated debt			
Undated participating subordinated notes	344	347	350
Other undated floating-rate subordinated notes:			
In foreign currencies	972	904	428
In euros	305	305	305
Other	48		
Total undated floating-rate subordinated notes	1,325	1,209	733
Undated notes	739	707	653
Total undated subordinated debt	2,408	2,263	1,736
Total subordinated debt issued by BNP Paribas Group	11,409	11,635	7,997
Accrued interest	336	342	261
Total	11,745	11,977	8,258

Subordinated Medium and Long-Term Debt

Subordinated debt included under this heading consists of medium- and long-term debentures issued in French francs and foreign currencies that are equivalent to debt ranking last before participating debt and securities for repayment purposes in the case of liquidation of the bank.

Subordinated medium- and long-term debt issued by the Group generally contains a call provision authorising BNP Paribas to buy back its securities directly in the market or through tender offers or, in the case of private placements, over the counter.

Borrowings in international markets by BNP SA or foreign subsidiaries of the BNP Paribas Group may be subject to early repayment of principal and the early payment of interest due at maturity in the event that changes in applicable tax laws oblige the BNP Paribas Group issuer to compensate debtholders for the consequences of such changes. The debt securities may be called on 30 to 60 days' notice subject to approval by the banking supervisory authorities.

At 31 December 2000, subordinated medium and long-term debt broke down as follows by maturity and by currency:

Issuing currency	Total	2001	2002	2003	2004	2005	2006 to 2010	Beyond 2010
Subordinated medium and long-term debt:								
• Issued in euros or euro zone currencies								
– Issued or converted into euros	5,502	305	1,506		644	260	1,992	795
– Not converted into euros:								
▪ FRF	154		152				2	
▪ LUF	280		81		37	112	50	
▪ Other currencies	11						11	
Total subordinated medium and long-term debt not converted into euro	445	-	233		37	112	63	-
• Issued in other currencies								
▪ US dollars	2,992		242	161		82	1,809	698
▪ Other currencies	62						62	

Total subordinated medium and long-term debt	9,001	305	1,981	161	681	454	3,926	1,493
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NOTE 19 – SUBORDINATED DEBT (cont'd)**Undated subordinated debt**

In July 1984, pursuant to the French Law of 3 January 1983, BNP SA issued a first block of 1,800,000 undated participating subordinated notes (*titres participatifs*) with a face value of FRF 1,000, for a total of EUR 274 million. Subscription rights to new undated participating subordinated notes were attached to each of these notes. In connection with rights exercised between 1 July and 30 July 1985, 1986, 1987, and 1988, BNP SA issued a total of 412,761 new undated participating subordinated notes with a face value of FRF 1,000. The shares were issued at a total premium of EUR 4 million. The notes are redeemable only in the event of liquidation of the Bank, but may be redeemed in accordance with the terms of the law.

In October 1985, BNP SA issued EUR 305 million of undated floating-rate subordinated notes (*titres subordonnés à durée indéterminée, or TSDI*). The notes are redeemable only in the event of liquidation of the Bank. They are subordinated to all other debts of the Bank but senior to the undated participating subordinated notes issued by BNP SA. The Board of Directors is entitled to postpone interest payments if the shareholders' meeting approving the financial statements declares that there is no income available for distribution. In September 1986, BNP SA raised a further USD 500 million by issuing new undated floating-rate subordinated notes with characteristics similar to those of the French franc notes issued in 1985.

Between 1996 and 1998, BNP SA issued undated notes which may be called at the issuer's discretion, starting from a date specified in the issuing agreement and contingent upon the consent of the Commission Bancaire.

Undated participating subordinated notes, undated subordinated notes and undated notes qualify as Tier 2 capital under French regulations and international guidelines on capital adequacy.

NOTE 20 – RESERVE FOR GENERAL BANKING RISKS

The reserve for general banking risks amounted to EUR 1,039 million at 31 December 2000 (EUR 1,040 million at 31 December 1999 and EUR 1,038 million at 31 December 1998).

NOTE 21 – CONSOLIDATED SHAREHOLDERS' EQUITY

In millions of euros	Capital	Ordinary capital surplus	Capital gain on restructuring and revaluation surplus
Balance at 1 January 1998	813	3,183	503
Operations affecting capital stock in 1998			
- Stock-for-stock public tender offers	7	46	
- Other	12	192	
Effect of exchange rate fluctuations			
- During 1998			
- Irreversible monetary depreciation			
Restructuring of the interest in the BancWest Corp. Group			
Other			(26)
Balance at 31 December 1998 before appropriation of income	832	3,421	477
1998 consolidated net income			
Cash dividend			
Balance at 1 January 1999	832	3,421	477
Operations affecting capital stock in 1999 :			
- Conversion of the capital into euros	41	(41)	
- Stock-for-stock public tender offer for Paribas SA	918	16,949	
- Other	8	92	
Difference arising from application of section 215 of CRC standard 99-07 (1)		(8,712)	
Effect of exchange rate fluctuations in 1999			
Effect of changes in accounting methods – application of CRC standard 99-07			(85)
Other			(13)
Balance at 31 December 1999 before appropriation of income	1,799	11,709	379
1999 consolidated net income			
Cash dividend			
Balance at 1 January 2000	1,799	11,709	379
Difference arising from application of section 215 of CRC standard 99-07 to Paribas shares acquired prior to the merger		(305)	
Cancellation of BNP shares held by Paribas at the time of the BNP SA-Paribas SA merger	(29)	(571)	
BNP-Paribas SA shares held pursuant to the 5th resolution of the Annual Shareholders' Meeting of 23 May 2000 and contingent value rights certificates held by BNP Paribas			
Share issues	22	311	
Issue of preferred shares			
Translation adjustment			
Buyout of minority interests in Cobepa			
Effect of changes in accounting methods applied by the Paribas sub-group to comply with BNP Paribas Group accounting policies		(179)	
Other		(3)	(4)
2000 consolidated net income			
Balance at 31 December 2000 before appropriation of income	1,792	10,962	375

(1) In application of section 215 of CRC standard 99-07, goodwill arising on acquisition of the Paribas Group was determined by substituting the net book value of the assets and liabilities constituting the net assets of Paribas, as shown in the Paribas financial statements at 30 September 1999 after restatement to comply with BNP Group accounting principles, for the issue price of the BNP shares exchanged for the Paribas shares tendered to the offer.

Accumulated translation difference	Parent's company retained earnings and Group's share in retained earnings of subsidiaries	Elimination of treasury stock	Retained earnings, capital gain resulting from real estate restructuring and revaluation surplus	Shareholders' equity attributable to BNP Group	Minority interests	Total
(119)	4,621		5,005	9,001	744	9,745
				53	(53)	
				204		204
(119)			(119)	(119)	(65)	(184)
39			39	39		39
					438	438
	(12)		(38)	(38)	(3)	(41)
(199)	4,609		4,887	9,140	1,061	10,201
	1,114		1,114	1,114	53	1,167
	(328)		(328)	(328)	(50)	(378)
(199)	5,395		5,673	9,926	1,064	10,990
				17,867	1,577	19,444
				100		100
				(8,712)		(8,712)
131			131	131	154	285
	(183)		(268)	(268)		(268)
	5	(731)	(739)	(739)	58	(681)
(68)	5,217	(731)	4,797	18,305	2,853	21,158
	1,484		1,484	1,484	163	1,647
	(767)		(767)	(767)	(157)	(924)
(68)	5,934	(731)	5,514	19,022	2,859	21,881
				(305)	(344)	(649)
		600	600	-	-	-
		(1,471)	(1,471)	(1,471)		(1,471)
				333		333
					537	537
23			23	23	103	126
					(625)	(625)
				(179)		(179)
	73		69	66	(3)	63
	4,124		4,124	4,124	285	4,409
(45)	10,131	(1,602)	8,859	21,613	2,812	24,425

NOTE 21 – CONSOLIDATED SHAREHOLDERS' EQUITY (cont'd)**OPERATIONS INVOLVING CAPITAL STOCK IN 1998, 1999 AND 2000**

BNP's capital stock at 1 January 1998 consisted of 213,244,158 ordinary shares with a FRF 25 par value.

Capital increases in 1998

Pursuant to a resolution of the Shareholders' Meeting of 22 May 1997, the Board of Directors of BNP decided on 13 May 1998 to launch a further stock-for-stock public tender offer for BNP Intercontinentale. At the close of the offer, BNP issued 1,702,410 new ordinary shares with a par value of FRF 25 and rights from 1 January 1998 in payment for the shares of BNP Intercontinentale tendered to the offer.

In accordance with Section 180 V of the 1966 French Companies Act and pursuant to authorisations received from the Shareholders' Meeting of 21 May 1996, the Board of Directors decided on 4 March 1998, to issue shares reserved for participants in the company savings plan via the BNP Actionnariat mutual fund. The mutual fund subscribed 1,280,000 ordinary shares with a par value of FRF 25 for this purpose.

The capital was also increased by the creation of 2,176,932 new shares for shareholders who opted to receive their dividends in the form of shares. In addition, 7,141 shares were subscribed by employees under the stock option plan.

At 31 December 1998, the capital of BNP SA consisted of 218,410,671 fully paid ordinary shares with a par value of FRF 25.

During the course of 1998, BNP employees subscribed 78,129 shares with rights from 1 January 1998 under the stock option plan. The corresponding capital increase took effect on 5 January 1999.

Capital increases in 1999

Pursuant to a resolution of the Shareholders' Meeting of 13 May 1998, on 9 December 1998 the Board of Directors of Banque Nationale de Paris decided to convert the capital of Banque Nationale de Paris into euros. Following conversion, the par value of the shares amounts to EUR 4. This par value was obtained by rounding up the amount obtained by converting the original FRF 25 par value. Therefore, on 5 January 1999, the capital was increased by FRF 270,550,311.26 (EUR 41 million), corresponding to the sum of the rounding differences (FRF 1.2382 per share). The amount of this capital increase was deducted from "Additional paid-in capital in excess of par".

Banque Nationale de Paris issued 229,490,050 new shares with a par value of EUR 4 with rights from 1 January 1999 in exchange for the Paribas SA shares received following the stock-for-stock public tender offers which closed in August and November 1999 (see below).

In accordance with Section 180 V of the 1966 French Companies Act and pursuant to authorisations received from the Shareholders' Meeting of 13 May 1998, the Board of Directors decided on 26 February 1999, to issue Banque Nationale de Paris shares reserved for participants in the company savings plan via the BNP Accueil mutual fund. The mutual fund subscribed 1,507,499 ordinary shares with a par value of EUR 4 for this purpose. In addition, during the course of 1999, BNP employees subscribed 180,395 shares with rights from 1 January 1999 under the stock option plan.

At 31 December 1999, BNP SA's capital stock consisted of 449,666,744 fully paid ordinary shares (EUR 4 par value).

During the course of 1999, BNP employees subscribed 462,750 shares with a par value of EUR 4 and with rights from 1 January 1999 under the stock option plan. The corresponding capital increase was carried out on 26 January 2000.

Capital increases and reductions in 2000**Capital reduction**

In accordance with the resolution of the Shareholders' Meeting of 23 May 2000 approving the merger between Banque Nationale de Paris and Paribas with retroactive effect from 1 January 2000, 7,053,612 BNP shares held by Paribas were cancelled by way of a reduction of capital.

Capital increases

In accordance with Section 180 V of the 1966 French Companies Act and pursuant to authorisations received from the Shareholders' Meeting of 13 May 1998, the Board of Directors decided on 7 March 2000, to issue BNP Paribas shares reserved for participants in the company savings plan via the BNP Accueil mutual fund. The mutual fund subscribed 4,821,403 ordinary shares with a par value of EUR 4 for this purpose. In addition, during 2000 a total of 167,430 shares were issued to employees on exercise of stock options, including 65,790 shares with rights from 1 January 1999 and 101,640 shares with rights from 1 January 2000.

NOTE 21 – CONSOLIDATED SHAREHOLDERS' EQUITY (cont'd)

At 31 December 2000, the capital of BNP Paribas consisted of 448,064,715 fully-paid ordinary shares with a par value of EUR 4.

During the second half of 2000, a total of 141,340 shares with a par value of EUR 4 and with rights from 1 January 2000 were subscribed under the stock option plan. The corresponding capital increase was carried out on 29 January 2001.

ANALYSIS OF ADDITIONAL PAID-IN CAPITAL IN EXCESS OF PAR, PREMIUMS ON ACQUISITION AND CAPITAL GAIN ON REAL ESTATE RESTRUCTURING

In 1998, this item was increased by the premium on the shares issued in connection with the stock-for-stock public tender offer for BNP Intercontinentale, as well as the issue premiums resulting from the exercise by some shareholders of the option to receive dividends in the form of shares and from the placement of shares reserved for participants in the company savings plan. The premium on the shares issued to BNP Internationale shareholders amounted to EUR 46 million after charging goodwill against the premium on the exchange offer. Premiums on shares issued in payment of dividends and shares issued to employees totalled EUR 192 million.

In 1999, this item was reduced by EUR 41 million in connection with the conversion of BNP SA's capital stock into euros and increased by EUR 91 million following the issue of shares to employees holding stock options and the placement of shares reserved for participants in the company savings plan.

It was also increased by the EUR 16,949 million premium on shares issued in connection with the stock-for-stock public tender offers for Paribas made in 1999 (see below).

In 2000, additional paid-in capital in excess of par was increased by EUR 311 million following the issue of BNP Paribas shares on exercise of employee stock options and in connection with employee share issues. The cancellation of BNP shares held by Paribas at the time of the Banque Nationale de Paris – Paribas merger had the effect of reducing additional paid-in capital in excess of par by EUR 571 million.

The capital gain on real estate restructuring of EUR 291 million relates to a restructuring operation whereby BNP transferred its real estate holdings to its subsidiary Compagnie Immobilière de France, "CIF", in 1991 and 1992. The resulting capital gain is recognised in the consolidated profit and loss account in proportion to the additional depreciation charge taken by CIF. The residual gain at 31 December 1997 includes a write-down of EUR 420 million taken during 1997 (see notes 1 and 10) to reflect a decline in the real estate market that was considered to be lasting.

PREFERRED SHARES

In December 1997, BNP US Funding LLC, a wholly-owned subsidiary of the Group, made a new USD 500 million issue of non-cumulative preferred shares, which do not dilute earnings per ordinary share. The shares pay a contractual dividend of 7.738% for a period of ten years. At the end of that period, the issuer may redeem the shares at par at the end of any calendar quarter. Until they are redeemed, the shares will pay a dividend indexed to Libor. The proceeds of this issue are included in shareholders' equity under "Minority interests" and the corresponding remuneration is treated as a distribution to minority shareholders.

A second USD 500 million issue of non-cumulative preferred shares was carried out in October 2000 by another wholly-owned subsidiary, BNP Paribas Capital Trust. These shares pay a contractual dividend of 9.003%.

STOCK-FOR-STOCK PUBLIC TENDER OFFERS FOR PARIBAS**Results of the stock-for-stock public tender offers for Paribas**

On March 9, 1999, Banque Nationale de Paris made a stock-for-stock public tender offer for Paribas SA shares. Under the terms of the offer, which were modified on 8 July 1999, 29 BNP shares plus 13 contingent value rights certificates (CVRs) were exchanged for 20 Paribas shares. The offer ended on 13 August 1999 and was followed by a simplified offer between 1 and 21 October 1999 based on 29 BNP shares for 20 Paribas shares.

NOTE 21 – CONSOLIDATED SHAREHOLDERS' EQUITY (cont'd)**STOCK-FOR-STOCK PUBLIC TENDER OFFERS FOR PARIBAS (cont'd)****Results of the stock-for-stock public tender offers for Paribas**

A total of 106,640,080 Paribas shares were tendered to the first offer and 51,628,920 shares were tendered to the second offer, representing 96.26% of Paribas' capital. In exchange for these shares, BNP issued a total of 229,490,050 shares (including 154,628,116 shares at a price of EUR 74.40 and 74,861,934 shares at a price of EUR 85.00) plus 69,316,052 CVRs giving their holders the right, for each CVR held on 1 July 2002, to the payment of an amount in euros equal to the positive difference between EUR 100 and the benchmark BNP Paribas share price, subject to a ceiling of EUR 20 per CVR. The benchmark BNP Paribas share price will be equal to the weighted average of the closing prices of BNP Paribas shares on the Paris Bourse during the 20 trading days preceding 1 July 2002 during which the BNP Paribas shares are quoted, rounded to one decimal figure.

During the fourth quarter of 1999, BNP acquired 425,1000 Paribas shares pursuant to the undertaking given at the time of the public tender offer to offer the same exchange parity to Paribas employees holding Paribas stock options. The acquisition of these additional shares raised BNP's interest in the capital of Paribas to 96.48% at 31 December 1999. Between 1 January and 23 May 2000, the date of the merger of BNP SA and Paribas SA, BNP acquired a further 231,097 Paribas shares.

On 10 November 1999, BNP launched a squeeze-out operation in relation to the Paribas shares. The offer was open from 18 to 31 January 2000 and resulted in a successful squeeze-out on 1 February 2000. At that date, BNP held 164,536,561 shares, representing the entire capital of Paribas.

Accounting treatment of the public tender offer for Paribas shares

The assets, liabilities and off-balance sheet items of the Paribas sub-group are consolidated in accordance with the provisions of section 215 of CRC standard 99-07 at their historical cost as shown in the Paribas financial statements at 30 September 1999 after restatement to comply with BNP Paribas Group accounting policies.

The restatements made to comply with BNP Paribas Group accounting policies had the effect of reducing Paribas' shareholders' equity at September 30, 1999 by EUR 873 million net of tax, including EUR 694 million recognised in the accounts at 31 December 1999 and EUR 179 million recognised in 2000. The restatements mainly concerned the method used to value interest rate swaps representing isolated open positions managed on a medium and long-term basis and portfolios of trading account securities (determination of counterparty risks and administrative costs related to interest rate swaps, measurement of liquidity and modelling risks related to positions on interest rate, equity, index, currency and credit derivatives, and positions on convertible bonds).

In addition, certain employee benefit obligations, including retirement obligations in France and abroad, were provided for in accordance with the rules applied by the BNP Paribas Group.

Lastly, the rules applied by the BNP Paribas Group to provide for credit risks in the United States and for country risks were applied to the corresponding commitments in the accounts of the Paribas sub-group.

The goodwill arising on consolidation of the Paribas sub-group, as adjusted to take account of the restatements to comply with BNP Paribas Group accounting policies, was charged against the premium on the shares issued in exchange for the Paribas shares tendered to the offer, in an amount of EUR 9,196 million (EUR 8,712 million at 31 December 1999).

BNP PARIBAS SHARES HELD BY THE GROUP

Pursuant to the fifth resolutions of the Shareholders' Meetings of 4 May 1999 and 23 May 2000, BNP Paribas was authorised to buy back shares representing a maximum of 10% of its capital stock in order to stabilise the share price, or to award or sell the shares to employees under the statutory profit-sharing scheme or company savings plans, or to cancel the shares acquired, or to sell, exchange or otherwise dispose of them or for financial or asset/liability management purposes.

The 7,053,612 BNP SA shares held by Paribas SA at the time of the merger between the two banks were cancelled, resulting in a reduction of capital.

NOTE 21 – CONSOLIDATED SHAREHOLDERS' EQUITY (cont'd)

BNP PARIBAS SHARES AND CVRs HELD BY THE GROUP (cont'd)

As at 31 December 2000, the BNP Paribas Group held 20,210,746 BNP Paribas shares representing an amount of EUR 1,782 million, including 17,159,476 shares representing EUR 1,519 million, deducted from shareholders' equity.

As of 31 December 2000, BNP Paribas had bought back 17,108,588 CVRs on the open market for a total of EUR 82.9 million representing an average price per CVR of EUR 4.84 (1,004,894 CVRs as of 31 December 1999 for a total of EUR 4.4 million representing an average price per CVR of EUR 4.37). The carrying value of these CVRs is recorded as a reduction in shareholders' equity. The maximum potential commitment related to CVRs outstanding at 31 December 2000, based on a unit price of EUR 20, is EUR 1,055 million (EUR 1,362 million at 31 December 1999). The market value of these CVRs at 31 December 2000 was EUR 383 million or EUR 7.27 per CVR (EUR 312 million at 31 December 1999 or EUR 4.58 per CVR).

(in millions of euros)	Investments in non-consolidated undertakings and other participating interests		Trading account securities (note 7)		Securities available for sale		TOTAL	
	number of securities	book value	number of securities	book value	number of securities	book value	number of securities	book value
Shares held by:								
- BNP SA	13,605	1			45,000	4	58,605	5
- PARIBAS SA	7,053,612	599					7,053,612	599
- PARIBAS SA subsidiaries	1,478,450	126					1,478,450	126
- BNP SA subsidiaries			156,471	63			156,471	63
Shares held at 31 December 1999	8,545,667	726	156,471	63	45,000	4	8,747,138	793
Cancellation of shares held by PARIBAS SA	- 7,053,612	- 599					- 7,053,612	- 599
Shares acquired pursuant to shareholder authorisations	15,668,408	1,392					15,668,408	1,392
Other movements	- 987	-	2,894,799	200	- 45,000	- 4	2,848,812	196
Shares held at 31 December 2000	17,159,476	1,519	3,051,270	263	-	-	20,210,746	1,782
CVRs held at 31 December 2000	17,108,588	83					17,108,588	83

NOTE 22 - OFF BALANCE SHEET COMMITMENTS

In millions of euros, at 31 December	2000	1999	1998
FINANCING COMMITMENTS GIVEN AND RECEIVED			
Financing commitments given:			
To credit institutions	13,085	8,394	5,162
On behalf of customers:			
– Confirmed letters of credit			
• documentary credits	14,978	10,050	4,038
• other confirmed letters of credit	63,868	60,399	45,084
– Other commitments given on behalf of customers	42,241	42,948	13,406
	121,087	113,397	62,528
Total financing commitments given	134,172	121,791	67,690
Roll-over (standby) commitments received			
From credit institutions	4,880	11,121	3,601
On behalf of customers:	1,745	112	190
Total financing commitments received	6,625	11,233	3,791
GUARANTEES AND ENDORSEMENTS GIVEN AND RECEIVED			
Guarantees and endorsements given:			
To credit institutions			
– Confirmed documentary credits	1,361	1,622	796
– Other	6,593	3,621	1,908
	7,954	5,243	2,704
On behalf of customers:			
– Guarantees and endorsements:			
• real estate guarantees	1,251	945	795
• administrative and tax guarantees	6,142	3,961	3,840
• other	9,332	8,039	7,921
– Other guarantees given on behalf of customers	35,392	38,775	16,343
	52,117	51,720	28,899
Total guarantees and endorsements given	60,071	56,963	31,603
Guarantees and endorsements received:			
From credit institutions	12,506	20,492	6,263
On behalf of customers:			
– Guarantees received from government administrations	6,922	7,018	6,294
– Guarantees received from financial institutions	154	272	794
– Other guarantees received	20,319	12,252	9,997
Total guarantees and endorsements received from customers	27,395	19,542	17,085
Total guarantees and endorsements received	39,901	40,034	23,348
COMMITMENTS GIVEN AND RECEIVED ON SECURITIES			
Securities to be received	8,549	10,156	5,933
Securities sold under repurchase agreements to be received (a)	156	80	23
Total securities to be received	8,705	10,236	5,956
Total securities to be delivered	9,327	12,725	8,604

(a) Receipt of these securities is contingent upon exercise of the repurchase option.

NOTE 23 – FORWARD AND OPTIONS CONTRACTS

The following transactions were entered into on various markets as specific or general hedges of assets and liabilities or for position management purposes.

In millions of euros at 31 December	2000			1999		
	Hedging transactions	Position management	Total	Hedging transactions	Position management	Total
Forward contracts	1,113,576	5,779,264	6,892,840	480,204	5,205,568	5,685,772
On organised exchanges	104,686	1,711,359	1,816,045	103,595	1,424,448	1,528,043
- Interest rate contracts	92,921	1,320,785	1,413,706	81,657	1,220,253	1,301,910
- Foreign exchange contracts	9,458	374,308	383,766	20,530	189,671	210,201
- Financial assets contracts	2,307	16,266	18,573	1,408	14,524	15,932
Over-the-counter	1,008,890	4,067,905	5,076,795	376,609	3,781,120	4,157,729
- Forward rate agreements (FRAs)	6,902	137,490	144,392	15,507	241,661	257,168
- Interest rate swaps	122,225	3,656,707	3,778,932	101,587	3,022,479	3,124,066
- Currency swaps	259,771	237,763	497,534	72,056	470,226	542,282
- Forward currency swaps	182,607	21,172	203,779	185,825	37,773	223,598
- Other forward contracts	437,385	14,773	452,158	1,634	8,981	10,615
Options	56,058	1,343,003	1,399,061	34,048	1,658,020	1,692,068
On organised exchanges	18,160	358,588	376,748	6,362	686,027	692,389
Interest rate options	4,674	105,814	110,488	24	98,504	98,528
- purchased	4,335	4,873	9,208	12	35,097	35,109
- sold	339	100,941	101,280	12	63,407	63,419
Currency options		618	618		24,510	24,510
- purchased		309	309		11,889	11,889
- sold		309	309		12,621	12,621
Other options	13,486	252,156	265,642	6,338	563,013	569,351
- purchased	9,436	145,887	155,323	2,067	264,194	266,261
- sold	4,050	106,269	110,319	4,271	298,819	303,090
Over-the-counter	37,898	984,415	1,022,313	27,686	971,993	999,679
Caps and floors	8,473	524,953	533,426	11,295	419,945	431,240
- purchased	7,355	280,289	287,644	6,266	202,166	208,432
- sold	1,118	244,664	245,782	5,029	217,779	222,808
Swaptions and options (interest rate, currency and others)	29,425	459,462	488,887	16,391	552,048	568,439
- purchased	15,196	222,308	237,504	8,871	257,205	266,076
- sold	14,229	237,154	251,383	7,520	294,843	302,363
Total forward and options contracts	1,169,634	7,122,267	8,291,901	514,252	6,863,588	7,377,840

The nominal amounts of the contracts shown above should be construed as indicators of the BNP Paribas Group's activity on the financial instruments markets and not as indicators of the market risks arising on these instruments.

NOTE 23 – FORWARD AND OPTIONS CONTRACTS (cont'd)

ASSESSMENT OF COUNTERPARTY RISKS

The BNP Paribas Group's exposure to counterparty risk arising on forward and options contracts is assessed according to European Union and international capital adequacy ratios applicable at 31 December 1998. Accordingly, it takes into account signed netting agreements, which are used to attenuate counterparty risk on derivatives.

The Bank primarily uses the portfolio approach, which enables it to close all positions in the case of default by the counterparty and mark them to market. All payments receivable from the counterparty are netted off against payments due to the counterparty, to arrive at the net close-out amount payable or receivable. The net close-out amount may be collateralised by requiring the counterparty to pledge cash, securities or deposits.

The Bank also uses bilateral payment flow netting to attenuate counterparty risk on foreign currency payments. In this case, streams of payment orders in a given currency are replaced by a cumulative balance due to or from each party, representing the single sum, in each currency, remaining to be settled on a given day between the Bank and the counterparty.

The transactions concerned are executed according to the terms of bilateral or multilateral master agreements that comply with the general provisions of national or international master agreements. The main bilateral agreement models used are those of the Association Française des Banques (AFB), or those of the International Swaps and Derivatives Association (ISDA) for international agreements. The BNP Paribas Group also participates in EchoNetting, enabling it to use multilateral netting for transactions involving the other participants within the organisation.

Credit risk on forward and options contracts (in millions of euros)	2000		1999	
	Positive replacement cost	Weighted risk equivalent	Positive replacement cost	Weighted risk equivalent
Sovereign exposure	2,430	-	1,704	-
Risk exposure on banks in zone A (a)	67,035	20,233	27,395	9,921
Risk exposure on banks in zone B (a) and non-banking counterparties	18,070	13,183	10,936	7,744
Total before netting agreements	87,535	33,416	40,035	17,665
Impact of netting agreements	(58,714)	(18,054)	(21,604)	(6,107)
Total after netting agreements	28,821	15,362	18,431	11,558

(a) Zone A consists of the member states of the European Union (EU) and the Organisation for Economic Cooperation and Development (OECD) provided that they have not rescheduled any external sovereign debt within the previous five years, and countries that have negotiated special borrowing agreements with the International Monetary Fund (IMF) within the framework of the IMF's General Agreements to Borrow (GAB). Zone B consists of all other countries.

At 31 December 2000, the weighted risk equivalent of OTC forward and options contracts represented 0.27% of the sum of the notional amounts, excluding written options (0.25% at 31 December 1999).

At 31 December 2000, OTC forward and options contracts giving rise to the calculation of a weighted risk equivalent broke down as follows by credit rating (Standard & Poor's) and by counterparty:

By signature quality	Weighted risk equivalent (in %)	By signature quality	Weighted risk equivalent (in %)
AAA – AA	38.2	OECD countries	-
A	12.8	OECD banks	40.4
BBB BB or lower	49.0	Others	59.6
Total	100.0	Total	100.0

NOTE 24 - BNP PARIBAS GROUP EXPOSURE TO MARKET RISKS ON FINANCIAL INSTRUMENTS TRANSACTIONS **31**
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Following completion of a project launched in September 1999, since 31 March 2000 most of the Group's market risk exposures associated with financial instrument transactions are managed by a single risk assessment system.

This internal Value at Risk system is used to estimate the potential losses that could be incurred in the case of an unfavourable change in market conditions. The calculation is based on "Gross Earnings at Risk" (GEaR) and takes into account a wide range of variables that could affect the value of securities portfolios, including interest rates, foreign exchange rates, securities prices and their volatilities, as well as correlations between these variables.

The system uses the latest simulation techniques and includes processing of non-linear (convex) positions, as well as the volatility risk generated by options. Daily movements in the different variables are simulated to estimate potential losses on market transactions under normal market conditions and assuming normal levels of liquidity.

Values at Risk have been determined using the internal model. The model parameters have been set by the method recommended by the Basle Committee for the determination of estimated values at risk ("Supplement to the Capital Accord to Incorporate Market Risks"). The main measurement parameters are as follows:

- Change in the value of the portfolio over a holding period of 10 trading days,
- Confidence level of 99% (i.e. over a 10-day holding period, potential losses should be less than the corresponding GEaR in 99% of cases).
- Historical data covering 260 days' trading.

For the period from 31 March to 31 December 2000, the total average Value at Risk amounted to EUR 128 million (with a minimum of EUR 92 million and a maximum of EUR 177 million), taking into account the EUR 58 million effect of netting different types of risk and the EUR 88 million effect of netting risks between different business lines. These amounts break down as follows:

Value at Risk(10 days – 99%): analysis by type of risk

In millions of euros	31 March - 31 December 2000			31 December 2000
	average	minimum	maximum	
Interest rate risk	118	80	166	83
Equity risk	57	36	87	40
Currency risk	5	2	10	5
Commodity risk	6	2	14	14
Netting effect	- 58			- 49
Total	128			93

NOTE 25 - PENSION AND POSTEMPLOYMENT BENEFITS

- **Pension Benefits**

In France and in most of the countries where Group companies operate, pensions are financed by regular contributions to independent pension institutions that manage the payment of benefits.

Since 1 January 1994, pursuant to the new industry-wide agreement on pensions presented in note 1, the BNP Group has been making contributions to several nation-wide supplementary pension organisations in France.

The BNP and Paribas pension funds pay additional benefits relative to services rendered prior to 31 December 1993. The actuarial value of these pension obligations is computed based on the 1993 mortality table recommended by the French Insurance Code. The difference between the discount and inflation rates used at 31 December 1999 is roughly 3.0%, corresponding to the constant differential between long-term interest rates and inflation.

Funding for the ex-BNP employees' pension fund is provided by transfers from its existing reserves and reserves that will steadily become eligible for allocation (approximately EUR 95 million at 31 December 1999), and by the annual employers' contributions paid contractually by BNP in France, which are limited to 4% of payroll costs. In addition, a reserve for general banking risks was set up as a precautionary measure in 1993, to take account of the general demographic risk addressed by the industry-wide agreement concluded in September 1993 (see notes 1 and 20).

The pension fund for Paribas employees had reserves of approximately EUR 142 million at 31 December 1999, representing an amount in excess of the fund's pension obligations.

Paribas SA and BNP SA signed agreements in 1994 and 1997 respectively establishing funded pension systems. These systems provide for the payment to BNP-Paribas employees of additional benefits over and above those they receive from the nationwide organisations.

- **Seniority, Postemployment and Other Postretirement Benefits**

Employees of the various BNP Paribas Group companies are entitled to collective or contractual seniority and postemployment benefits such as retirement and seniority bonuses. In France, BNP Paribas is encouraging voluntary departures and early retirement among employees who meet certain eligibility criteria. Various companies in the BNP Paribas Group have also set up defined-benefit supplementary pension plans.

As a general rule, actuarial valuations of these obligations are made using a method that takes into account projected end-of-career salaries (projected unit credit method) in order to determine the aggregate charge corresponding to benefits remaining to be paid to early retirees, retirees (if applicable), as well as the vested benefits of active employees.

Assumptions concerning mortality, employee turnover, and future salaries, as well as discount rates (long-term market rates) and inflation, take into account economic conditions specific to each country or Group company. In France, the 1988-1990 mortality table adapted to the banking industry is used.

At 31 December 2000, the discount rate used for France and the estimated inflation rate are consistent with those used to assess the risks related to additional bank pension benefits.

BNP-Paribas sets up a provision to cover the charges related to the voluntary departure or early retirement of employees, once the voluntary departure or early retirement plan concerned has been approved or submitted for collective approval.

NOTE 26 – NET INTEREST INCOME

Expenses			Income			Net income (expense)			
2000	1999	1998	2000	1999	1998		2000	1999	1998
(19,997)	(10,834)	(8,592)	16,937	9,424	7,885	Interbank items (note 27)	(3,060)	(1,410)	(707)
(5,784)	(4,065)	(4,158)	14,026	9,454	8,354	Customer items (note 28)	8,242	5,389	4,196
(4,536)	(2,459)	(1,719)	5,820	3,235	2,380	Lease transactions	1,284	776	661
(5,507)	(3,270)	(2,687)				Debt securities	(5,507)	(3,270)	(2,687)
			2,997	2,300	2,067	Bonds and other fixed-income instruments (note 29)	2,997	2,300	2,067
(35,824)	(20,628)	(17,156)	39,780	24,413	20,686	Net interest income (expense)	3,956	3,785	3,530

NOTE 27 - NET INTEREST INCOME (EXPENSE) ON INTERBANK ITEMS

Expenses			Income			Net income (expense)			
2000	1999	1998	2000	1999	1998	In millions of euros	2000	1999	1998
(14,007)	(8,240)	(7,393)	10,861	6,922	6,791	Interest on interbank demand deposits, loans and borrowings	(3,146)	(1,318)	(602)
(5,990)	(2,594)	(1,199)	6,049	2,495	1,080	Interest on securities held or given under repurchase agreements	59	(99)	(119)
			27	7	14	Interest on subordinated term loans	27	7	14
(19,997)	(10,834)	(8,592)	16,937	9,424	7,885	Net interest income (expense) on interbank items	(3,060)	(1,410)	(707)

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NOTE 28 – NET INTEREST INCOME (EXPENSE) ON CUSTOMER ITEMS

Expenses			Income			In millions of euros	Net income (expense)		
2000	1999	1998	2000	1999	1998		2000	1999	1998
(5,029)	(3,800)	(3,742)	13,402	9,128	7,873	Interest on customer loans and deposits	8,373	5,328	4,131
(755)	(265)	(416)	617	319	477	Interest on securities held or given under repurchase agreements	(138)	54	61
			7	7	4	Interest on subordinated term loans	7	7	4
(5,784)	(4,065)	(4,158)	14,026	9,454	8,354	Net interest income (expense) on customer items	8,242	5,389	4,196

NOTE 29 – NET INCOME FROM SECURITIES PORTFOLIO

In millions of euros	2000	1999	1998
Interest on bonds and other fixed-income instruments			
Securities available for sale	964	592	420
Debt securities held to maturity	1,449	1,348	1,311
From Codevi «industrial development» securities	199	204	204
From hedging of interest rate instruments and other	385	156	132
	<u> </u>	<u> </u>	<u> </u>
Total interest on bonds and other fixed income instruments	2,997	2,300	2,067
Income on equities and other variable income instruments			
Securities available for sale	45	32	5
Equity securities available for sale in the medium-term	119	74	72
From investments in non-consolidated undertakings and other participating interests	227	69	51
	<u> </u>	<u> </u>	<u> </u>
Total income on equities and other variable income instruments	391	175	128
Net income from securities portfolio	3,388	2,475	2,195

NOTE 30 – NET COMMISSIONS

In millions of euros	Net		
	2000	1999	1998
Commissions on interbank and money market transactions	189	125	128
Commissions on customer transactions	1,363	933	689
Commissions on securities transactions	(32)	(57)	(45)
Commissions on foreign exchange and arbitrage transactions	74	214	249
Commissions on securities commitments	328	86	96
Commissions on forward financial instruments	(267)	(71)	(51)
Commissions on securities managed or on deposit:			
Custody fees	265	123	96
Mutual fund management	809	307	228
Management of customer securities portfolios	132	62	35
Other commissions on securities managed or on deposit	45	13	9
Total commissions on securities managed or on deposit	1,251	505	368
Commissions on securities transactions carried out on behalf of customers :			
For purchases and sales of securities	704	397	211
For purchases and sales of mutual fund shares	366	116	64
Other commissions on securities transactions carried out on behalf of customers	184	127	42
Total commissions on securities transactions carried out on behalf of customers	1,254	640	317
Other commissions :			
Commissions on customer assistance and advisory services	373	215	86
Commissions on payment instruments	453	382	355
Commissions on other financial services	(929)	(145)	25
Expense recoveries	88	83	78
Commissions on miscellaneous revenues	141	92	96
Commissions on other banking transactions	160	196	166
Total other commissions	286	823	806
Total commissions on financial services	2,791	1,968	1,491
Net commissions	4,446	3,198	2,557

Total commissions represent 27.3% of net banking income in 2000 (31.3% in 1999 and 33.8% in 1998).

NOTE 31 – UNDERWRITING RESULT AND NET INVESTMENT INCOME OF INSURANCE COMPANIES

In millions of euros	2000	1999	1998
Premium income	9,174	4,842	2,997
Net investment income	2,315	2,300	1,473
Claims expenses and changes in claims reserves	(10,252)	(6,601)	(4,379)
Other underwriting income and expenses, net	8	21	(18)
Underwriting result and net investment income of insurance companies^(a)	1,245	562	73

The above amounts are stated after eliminating intercompany income and expenses and net of reinsurance.

Gross premiums totalled EUR 9,369 million in 2000 (EUR 4,988 million in 1999 and EUR 3,007 million in 1998).

(a) In 2000, the contribution of Group insurance companies to underwriting result and net investment income breaks down as follows, after elimination of intercompany income and expenses:

In millions of euros	NATIOVIE	CARDIF	OTHER COMPANIES	TOTAL
Life underwriting result	59	25	(1)	83
Non-life underwriting result	(2)	42	25	65
Management fees addback	283	638	39	960
Financial reclassifications	94	74	1	169
Sub-total	434	779	64	1,277
Elimination of intercompany income and expenses	(97)	66	(1)	(32)
Net contribution to underwriting result and net investment income	337	845	63	1,245

NOTE 32 – SALARIES AND EMPLOYEE BENEFITS, INCLUDING PROFIT SHARING

In millions of euros	2000	1999	1998
Salaries	4,398	2,670	2,044
Termination benefits and social security taxes :			
Retirement bonuses and retirement expenses	323	362	197
Social security taxes	1,026	655	586
Total termination benefits and social security taxes	1,349	1,017	783
Incentive plans and profit sharing :			
Incentive plans	99	48	31
Profit sharing	103	126	94
Total incentive plans and profit sharing	202	174	125
Payroll taxes	301	179	161
Total salaries and employee benefits, including profit sharing	6,250	4,040	3,113

The total compensation awarded to directors and officers in respect of their functions in the consolidating entity and the consolidated companies for 2000 amounted to EUR 11.3 million (EUR 8.5 million in 1999 and EUR 7.1 million in 1998).

NOTE 33 – STOCK OPTION PLANS

1) BNP STOCK OPTION PLANS

Between 1990 and 1999, the Shareholders' Meeting of BNP SA authorised the Board of Directors to grant options to purchase and subscribe shares issued by BNP SA under various plans, the characteristics of which are listed below:

Plan year	Date of EGM at which plan was authorised	Date of Board Meeting at which the plan terms were decided	Number of grantees	Number of shares to be purchased on exercise of the options	Starting date of the exercise period	Option expiry date	Exercise price (in euros)	Number of options exercised or forfeited at 31/12/1999	Options outstanding at 31/12/2000
1994	14 Dec. 1993	23 Mar. 1994	135	803,000	24 Mar. 1996	23 Mar. 2001	32.32	752,785	50,215
1995	14 Dec. 1993	22 Mar. 1995	128	215,500	23 Mar. 1997	22 Mar. 2002	33.23	138,010	77,490
1996	14 Dec. 1993	21 May 1996	140	1,031,000	22 May 1998	21 May 2003	29.73	177,500	854,000
1997	14 Dec. 1993	22 May 1997	64	238,000	23 May 2002	22 May 2007	36.89		238,000
1998	14 Dec. 1993	13 May 1998	259	1,037,000	14 May 2003	13 May 2008	74.55		1,037,000
1999	13 May 1998	3 May 1999	112	335,000	4 May 2004	3 May 2009	75.28		335,000
	13 May 1998	22 Dec. 1999	642	2,532,000	23 Dec. 2004	22 Dec. 2009	90.32	83,000	2,449,000
2000	13 May 1998	7 Apr. 2000	1 214	877,100	8 Apr. 2005	7 Apr. 2010	85.00	34,150	842,950

The BNP plans set up in December 1999 and April 2000 are open to employees of both Paribas and BNP.

No stock options were granted to members of the Executive Committee in 2000. At 31 December 2000, they held 1,969,558 options.

NOTE 33 – STOCK OPTION PLANS (cont'd)

2) PARIBAS STOCK OPTION PLANS

Plan year	Original company	Date of EGM at which plan was authorised	Date of Board Meeting at which the plan terms were decided	Number of grantees	Adjusted number of options granted (1)	Starting date of exercise period (2)	Option expiry date	Adjusted exercise price (in euros) (1)	Adjusted number of options exercised or forfeited at 31/12/2000 (1)	Adjusted number of options outstanding at 31/12/2000 (1)
1994	B.PARIBAS	19/05/1994	02/12/1994	186	415,608	01/04/1997	02/12/2002	42.68	361,571	54,037
	C.B.	17/03/1993	11/10/1994	105	599,659	12/10/1999	10/10/2002	24.26	488,638	111,021
	CARDIF	26/04/1993	17/11/1994	20	103,356	18/11/1999	16/11/2002	30.83	62,423	40,933
1995	C.F.P.	27/05/1992	29/03/1995	29	169,650	29/03/1998	29/03/2003	28.49	74,058	95,592
	C.F.P.	27/05/1992	28/12/1995	341	1,523,515	28/12/1999	28/12/2003	28.81	681,152	842,363
	C.F.P.	27/05/1992	30/10/1995	12	233,450	30/10/1999	30/10/2003	28.60	66,700	166,750
	C.F.P.	27/05/1992	16/11/1995	5	60,900	16/11/1999	16/11/2003	28.60	21,025	39,875
	C.B.	17/03/1993	31/10/1995	104	233,997	01/11/2000	30/10/2003	26.23	36,485	197,512
	C.B.	26/04/1993	16/11/1995	36	123,166	17/11/2000	15/11/2003	20.48	14,954	108,212
1996	C.B.	17/03/1993	05/11/1996	100	293,601	06/11/2001	04/11/2004	29.54	16,065	277,536
	C.B.	26/04/1993	21/11/1996	35	93,451	22/11/2001	20/11/2004	37.22	6,025	87,426
1997	C.F.P.	27/05/1992	20/01/1997	526	2,433,825	20/01/2002	20/01/2005	36.80	984,625	1,449,200
	C.F.P.	27/05/1992	07/07/1997	4	36,250	07/07/2002	07/07/2005	41.42	24,650	11,600
	C.B.	26/04/1997	30/09/1997	149	289,319	01/10/2002	29/09/2005	41.94	5,605	283,714
	C.F.P.	25/04/1997	26/12/1997	319	2,994,250	26/12/2002	26/12/2005	49.94	1,047,986	1,946,264
1998	PARIBAS	11/05/1998	17/11/1998	975	3,410,110	17/11/2003	17/11/2006	43.42	1,360,263	2,049,847
1999	PARIBAS	24/04/1997	04/05/1999	1	14,500	04/05/2004	04/05/2007	67.83	0	14,500

FULLY-CONSOLIDATED SUBSIDIARIES OF PARIBAS

1994	CETELEM	24/03/1994	23/11/1994	34	92,323	24/11/1999	22/11/2002	18.69	73,326	18,997
	U.F.B.	18/03/1993	19/10/1994	44	113,025	20/10/1999	18/10/2002	22.90	104,566	8,459
	SAFADECO	05/09/1994	09/09/1994	19	55,998	01/04/1997	09/09/2002	30.49	53,748	2,250
1995	CETELEM	24/03/1994	07/11/1995	79	206,150	08/11/2000	06/11/2003	22.16	42,149	164,001
	U.F.B.	18/03/1993	18/10/1995	32	66,029	19/10/2000	17/10/2003	24.13	19,311	46,719
1996	CETELEM	24/03/1994	04/11/1996	95	226,978	05/11/2001	03/11/2004	32.99	3,636	223,342
	U.F.B.	18/03/1993	16/10/1996	37	94,462	17/10/2001	15/10/2004	29.19	0	94,462
	SAFADECO	05/09/1994	04/01/1996	21	108,000	01/04/1999	04/01/2004	30.64	10,000	98,000
1997	CETELEM	27/03/1997	22/09/1997	117	156,469	23/09/2002	21/09/2005	36.57	5,389	151,080

C.B. : Compagnie Bancaire - C.F.P. : Compagnie Financière Paribas

(1) Number of options and exercise price expressed in BNP Paribas shares:

- For Compagnie Bancaire, Compagnie Financière Paribas and Banque Paribas, based on the following conversion rates:
9 Paribas for 5 Compagnie Bancaire, 1Paribas for 1 Compagnie Financière Paribas, 1Paribas for 1 Banque Paribas, 29 BNP Paribas + 13 CVR for 20 Paribas,
- For fully-consolidated subsidiaries of Paribas (Cetelem et UFB), the number of options and the exercise price are expressed in BNP Paribas shares calculated after the exchange:
1,791 Paribas for 1 Cetelem, 1,45+1,1642 CVR for 1 Paribas
1,62054 Paribas for 1 UFB, 1,45+1,0534 CVR for 1 Paribas

The exercise price and the number of options used to produce the above table have been calculated based on the pre- 1 July 2002 parity.

- (2) Exercise dates set at the time of grant. The BNP Paribas merger agreement stipulates that the options may not be exercised until the fifth anniversary of the date of grant, as required under French tax rules, whatever the original exercise dates.

NOTE 34 – GAINS (LOSSES) ON DISPOSALS OF LONG-TERM INVESTMENTS AND CHANGES IN PROVISIONS

In millions of euros	2000	1999	1998
Debt securities held to maturity :			
Disposal gains	19	2	-
Disposal losses	(4)	-	(1)
(Additions to) deductions from provisions	—	(4)	4
Net gains on disposals of debt securities held to maturity and changes in provisions	15	(2)	3
Equity securities held for long-term investment:			
Disposal gains	810	920	338
Disposal losses	(82)	(195)	(65)
Additions to provisions	(54)	(103)	(24)
Deductions from provisions	111	216	87
Net gains on disposals of equity securities held for long-term investment and changes in provisions	785	838	336
Investments in non-consolidated undertakings and other participating interests			
Disposal gains	1,169	97	179
Disposal losses	(282)	(119)	(48)
Additions to provisions	(135)	(60)	(23)
Deductions from provisions	156	157	31
Net gains on disposals of investments in non-consolidated undertakings and other participating interests and changes in provisions	908	75	139
Total net gains on disposals of long-term investments and changes in provisions	1,708	911	478

NOTE 35 – NON-RECURRING ITEMS

In millions of euros	2000	1999	1998
Additions to provisions for restructured or discontinued operations	(117)		(25)
Additions to provisions for non-recurring costs associated with the single European currency and the year 2000	(104)	(32)	(62)
Contribution ordered by the Competition Authorities	(38)		
Additions to provisions for employee benefits	(30)	(53)	(3)
Compensation paid to victims of the holocaust	(29)		
Effect of change of method – commissions	(27)		
Additions to provisions and contributions to the depositors' guarantee fund	(3)	(56)	-
Other non-recurring expenses, net	(37)	(15)	(37)
Net non-recurring items	(385)	(156)	(127)

Non-recurring items reflect the impact on the financial statements of events that are infrequent and unusual in nature for the BNP Paribas Group's various lines of business. If these items were included under other profit and loss account headings, the comparability of current-period operations with those of the reference periods would be impaired.

Following the sale of part of the BNP Paribas Espana branch network, the Group's operations in Spain are being reorganised and an employment reorganisation plan is being launched. A provision has been set aside to cover the related cost. In addition, following the acquisition of Dresdner Bank's interest in certain joint subsidiaries, a provision has been booked for the cost of reorganising these subsidiaries' support functions. Lastly, provisions have been recorded to cover costs related to changes in the Group's strategy in Australia and the spin-off into subsidiaries of the securities business as well as certain Private Banking and Asset Management businesses and certain International Corporate Banking businesses. The total amount of these provisions is EUR 117 million.

The BNP Paribas Group's latest estimate of the cost of adapting to the introduction of the single European currency and to the Year 2000, prepared at the end of 2000, is approximately EUR 467 million. These costs are being incurred over the period 1996-2002. In application of the guidelines issued by the French accounting authorities, BNP set up a provision at 31 December 1996, which was increased in subsequent years. This provision covers the non-capitalisable cost of outside assistance needed for BNP Paribas to deal with the changeover to the single European currency, representing a nonrecurring event. The provision covers the cost of adapting information systems and contributions to the cost of adapting interbank systems, euro-related corporate communication and customer relations programme costs and costs related to the introduction of euro-denominated coins and bank notes in 2002. These costs have been determined using the project costing methods generally applied by the BNP Paribas Group. As of 31 December 2000, over 60% of the estimated total cost had been incurred.

In 1999, a EUR 53 million provision was set aside to cover the cost of staff reductions resulting from investments to adapt IT systems to the single European currency and from the reorganisation of technical support centres and customer service activities in the network. In 2000, provisions for pensions and postretirement benefit obligations were increased by EUR 30 million based on the results of an actuarial valuation of pension funds covering pension and postretirement benefit obligations towards employees outside France.

NOTE 35 – NON-RECURRING ITEMS (cont'd)

In application of a bilateral agreement between the French and American governments to increase the compensation paid to holocaust victims, financial institutions that collect deposits have agreed to contribute to various compensation programmes and to help fund a Holocaust Victims' Memorial Foundation. The BNP Paribas Group has set aside a provision of EUR 29 million, representing the Group's estimated contribution to these programmes.

Following adoption of the Depositors' Protection Act dated 25 June 1999, a system was set up to guarantee securities and cash deposited with investment services companies. In 1999, the BNP Paribas Group recorded a charge of EUR 56 million to cover the contribution due to the guarantee fund in respect of the period 1999 to 2002.

NOTE 36 – SEGMENT INFORMATION

- Income by business segment, based on allocated capital

In millions of euros	Net Banking Income	Gross Operating Income	Operating income	Income before tax and non- recurring items
Domestic Retail Banking	4,257	1,181	1,024	1,037
International Retail Banking	1,598	666	492	496
Specialised Financial Services	2,140	756	523	609
Corporate and Investment Banking	6,114	2,577	2,063	2,214
Private Banking and Asset Management – Insurance and Securities	2,201	936	899	964
BNP Paribas Capital	122	53	49	1,037
Other	(169)	(344)	(366)	352
Total	16,263	5,825	4,684	6,709

- Group activity by geographic area

In millions of euros, at 31 December 2000	Interbank items	Customer items	Total
Assets			
France	45,131	119,723	164,854
Other European Economic Space countries	55,148	49,880	105,028
The Americas and Asia	94,245	52,120	146,365
Other countries	3,777	9,187	12,965
Total assets (notes 4 and 5)	198,301	230,910	429,212
Liabilities			
France	50,750	79,696	130,446
Other European Economic Space countries	65,404	44,356	109,760
The Americas and Asia	75,009	37,792	112,801
Other countries	5,092	11,033	16,125
Total liabilities (notes 13 and 14)	196,255	172,877	369,132

NOTE 37 – CORPORATE INCOME TAX

In millions of euros	2000	1999	1998
Current taxes	1,343	1,147	298
Deferred taxes	288	54	184
Income tax expense	1,631	1,201	482
– on recurring items	1,728	1,227	530
– on non-recurring items	(97)	(26)	(48)

Deferred taxes recognised in the balance sheet break down as follows:

In millions of euros, at 31 December	2000			1999	1998
	Companies included in the tax group (note 2)	Other companies	Total	Total	Total
Deferred tax assets	1,257	193	1,450	1,588	432
Deferred tax liabilities	1,237	1,140	2,377	2,080	962
Net deferred tax liability	(20)	947	927	492	530

The deferred tax liability on the capital gain realised on BNP's transfer to its subsidiary Compagnie Immobilière de France of buildings and rights to real estate leasing contracts amounted to EUR 196 million at 31 December 2000, after taking into account EUR 105 million written back in 1997 in connection with the write-down of the corresponding assets and EUR 87 million added to deferred taxes in respect of land in 1999. This addition was charged in accordance with the new consolidation rules (note 1).

In accordance with CRC standard 99-07, a deferred tax liability of EUR 181 million has been recorded in respect of deferred taxes on the difference between straight-line book depreciation of leased assets and amortisation of the net investment in the leases.

The contra-entry for the adjustments made in 1999 following adoption of the new consolidated accounting standards was deducted from retained earnings (note 21) in accordance with the guidelines covering changes of method.

NOTE 38 – BNP PARIBAS MERGER-RELATED RESTRUCTURING COSTS

In connection with the 1999 merger between BNP and Paribas, a restructuring charge of EUR1,169 million was recorded. This charge can be analysed as follows:

In millions of euros	Restructuring provision	Amortisation of goodwill	Tax effect	Total restructuring charge
Provisions and amortisation recorded on first-time consolidation of Paribas	1,169	183	(363)	989
Utilisation – fourth quarter 1999	(59)	(183)	33	(209)
Total at 31 December 1999	1,110		(330)	780
Utilisation – 2000	(330)		101	(229)
Total at 31 December 2000	780		(229)	551