



BGL
BNP PARIBAS

**Consolidated Interim Financial Statements
for the First Half-Year of 2010**

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All amounts reported in these consolidated interim financial statements are denominated in million of euros, unless otherwise indicated. Because figures have been rounded off, small differences with previously reported figures may occur.

Statement of the Board of Directors

The Board of Directors of BGL BNP Paribas SA is responsible for the preparation and fair presentation of the BGL BNP Paribas consolidated interim financial statements as at 30 June 2010 in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the European Transparency Directive (2004/109/EC).

The Board of Directors reviewed the consolidated interim financial statements on 26 August 2010 and authorised their issuance.

The Board of Directors of BGL BNP Paribas declares that, to the best of its knowledge, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and income statement of BGL BNP Paribas and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

Luxembourg, 26 August 2010

Board of Directors:

Chairman: REINESCH Gaston

Vice-Chairman: D'ESTAIS Jacques

Directors: HRH Prince Guillaume of Luxembourg
ASSA Marc
CLAMON Jean
DEBIESSE François
DI LETIZIA Gabriel
FOHL Camille
GILBERTZ Jean-Claude
GRAMEGNA Pierre
HEIREND Claude
KIRSCH Nico
LEVY-GARBOUA Vivien
LUDES Corinne
MAJERUS Jean
MARTIN Eric
MEYER Jean
PRUVOT Jean-Paul
ROOS Norbert
SIWECK Jean-Louis
STEINHAUSER Denise
THEVES Tom
THILL Carlo
VILLEROY DE GALHAU François
WURTH Michel

Management Report

During the first half-year, BGL BNP Paribas SA (hereafter "BGL BNP Paribas" or "the Bank") has continued the implementation of the industrial plan approved by the Board of Directors on 25 November 2009.

This has been notably materialised by the acquisition of BNP Paribas Luxembourg SA and its subsidiaries on 25 February 2010, the sale of Fortis Banque Suisse SA on 23 April 2010, the disposal of Fortis Investment Management SA followed by the participation in the capital increase of BNP Paribas Investment Partners and the sale of the Securities Services activities to another entity of the BNP Paribas group. The process will be pursued in 2010 with the abandonment of the control of the leasing entities as from 1st July 2010 in the context of the restructuring of the BNP Paribas Lease Group.

Accordingly, these activities have been reclassified as discontinued operations as at 30 June 2010. On the other hand, the legal merger of BGL BNP Paribas SA and BNP Paribas Luxembourg SA will be implemented beginning October 2010.

Consolidated Statement of Financial Position

At 30 June 2010, the *total of the consolidated statement of financial position* amounted to EUR 52.5 billion and increased by 21.4% compared to 31 December 2009 (EUR 43.2 billion), largely explained by the entry in scope of BNP Paribas Luxembourg SA.

On the assets side, *Loans and receivables to credit institutions* and *Financial assets available-for-sale* increased respectively by EUR 7.9 billion and by 2.6 billion, above all due to the entry in scope of BNP Paribas Luxembourg SA.

The decrease of EUR 9.2 billion in *Loans and receivables to customers* is essentially explained by the changes in perimeter. The reclassification of leasing activities in *Non-current Assets classified as held for sale and discontinued operations* for an amount of EUR 11.5 billion as at 30 June 2010 is partially offset by the contribution of BNP Paribas amounting to EUR 2.5 billion. Excluding these exceptional elements, *Loans and receivables to customers* remain stable.

On the liabilities side, *Deposits from credit institutions* decreased by EUR 1.1 billion. This decrease is mostly due to the reclassification of the funding of the leasing activities to *liabilities linked to non-current assets as held for sale and discontinued operations*, for an amount of EUR 5.8 billion partially offset by the contribution of BNP Paribas Luxembourg SA for EUR 3.7 billion and a rise of repurchase agreements for EUR 1.8 billion.

Deposits from customers increased by EUR 8.4 billion or 61.6%, due to the contribution of BNP Paribas Luxembourg SA. Excluding this exceptional element, deposits from customers are stable.

In the context of the first consolidation of BNP Paribas Luxembourg SA and its subsidiaries, the Bank has applied the methodology of the Pooling of interest. Therefore the *total equity* is negatively impacted by the goodwill directly recognised as an adjustment of equity for an amount of EUR 522.3 million. Moreover, the Bank paid a dividend amounting to EUR 330.2 million in April 2010. This has been partially compensated by the increase of revaluation reserve on the available-for-sale portfolio for EUR 96.7 million and the net profit for the period of EUR 110.5 million.

As at 30 June 2010, the consolidated risk asset ratio amounted to 22.9 %, compared to 27.2 % at 31 December 2009.

Income Statement

Compared to previous year, *Net interest income* decreased by EUR 50.8 million or 16.6%. This decrease is due to lower results from Treasury activities in a challenging context of interest rates stabilisation, after the very favourable declining rate environment known in 2009. Moreover, Net Interest Income has been negatively impacted by the sale of the Securities Services activities to another entity of the BNP Paribas Group and the funding costs linked to the acquisition of BNP Paribas Luxembourg SA. This has been partially compensated by the net interest income contribution of BNP Paribas Luxembourg SA.

Dividends and other investment income stand at EUR 21.0 million. The increase of EUR 10.1 million compared to the first half-year 2009 is linked to improved results of associates and to dividends on equity securities, mainly earned by BNP Paribas Luxembourg SA and Paribas Trust Luxembourg SA.

Fees and commissions decreased by EUR 22.8 million or 18.8%, principally impacted by a strong decrease on Trading, Sale and Structured Finance Activities and by the transfer of the Securities Services activities to another entity of the BNP Paribas Group. Fees and Commissions related to Retail and Private Banking activities show a moderate increase.

Net realised capital gains on investments showed a gain of EUR 15.1 million compared to a loss of EUR 9.0 million in 2009. This gain is mainly due to the transfer of the activities linked to German corporates to BNPP Frankfurt branch and the gain realised on the sale of our participation Internaxx Bank.

Net operating income before change in impairments for the first half-year 2010 hence came to EUR 496.5 million, showing an increase of EUR 31.6 million or 6.8% compared to the first half-year 2009.

The *Change in impairments* stands at a negative amount of EUR 58.9 million. The impairment charge in 2010 is first and foremost due to additional collective provisions for an amount of EUR 27.6 million following to the review of the credit ratings of the client portfolio whereas the allocation to specific credit risk is limited to EUR 8.3 million. Additionally, the Bank booked impairments on the portfolio classified as available-for-sale amounting to EUR 17.9 million. In June 2009, the Bank had booked an exceptional release of provision for EUR 69.6 million following the sale of part of the structured credit portfolio to a dedicated special purpose vehicle.

Total operating expenses increased by EUR 69.2 million or 39.8%. This increase results on one hand from the contribution of BNP Paribas Luxembourg SA for EUR 36.6 million and, on the other hand, from a substantial increase of the costs linked to the implementation of the industrial plan in Luxembourg for EUR 40.6 million.

Net Profit/Loss for the period of discontinued operations shows a loss of EUR 31.2 million and relates to the changes in perimeter. The net gain from the sale of Fortis Banque Suisse SA, Fortis Investments Management SA and Securities Services activities and their operating results for the period amounts to EUR 74.9 million. Moreover, the contribution to the caption Net Profit/Loss for the period of discontinued operations relating to the leasing activities comes out at a loss of EUR 106.1 million.

The *Net profit attributable to shareholders* amounts to EUR 110.6 million, which represents a decrease of EUR 80.4 million or 42.1% compared to the same period of 2009. This decline in net profit is explained by a non-recurrent reversal of provision in 2009 for an amount of EUR 69.6 million (net of tax: EUR 49.7 million), by an increase in total operating expenses in the context of the integration of the two banks in Luxembourg for EUR 40.6 million (net of tax: EUR 29.0 million) by lower results from Treasury activities. This has been partially compensated by the positive net contribution of the acquisition of BNP Paribas Luxembourg SA and its subsidiaries amounting to EUR 29.6 million.

Looking forward

Since the closing of the accounts as of 30 June 2010, the key recurrent revenue streams for all business lines show a positive outlook for the second half-year, despite the financial environment remaining somewhat unstable.

During the coming months, besides a focus on the continued development of the commercial offerings, in the best interest of its clients, the Bank will dedicate important resources and time to the process of integration into the BNP Paribas Group.

The Bank will pursue with the implementation of the industrial plan as approved by the Board of Directors on 25 November 2009. Beside the restructuring of the subsidiaries, substantial financial and human resources are dedicated to large integration projects in order to ensure the full merger of the two banks in Luxembourg.

Finally, the Bank and its partner An Post have also agreed to run down the activities of Postbank Ireland Ltd until the end of the year.

PricewaterhouseCoopers
Société à responsabilité limitée
400, Route d'Esch
B.P. 1443
L-1014 Luxembourg
Telephone +352 494848-1
Facsimile +352 494848-2900
www.pwc.com/lu
info@lu.pwc.com

Report on review of consolidated interim financial statements

To the Board of Directors of
BGL BNP Paribas S.A.

Introduction

We have reviewed the accompanying consolidated interim financial statements of BGL BNP Paribas S.A. and its subsidiaries (the "Group") as of June 30, 2010 and the related consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Accounting Standard 34, "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of review

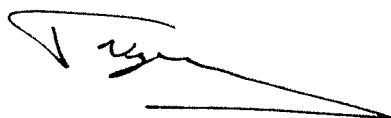
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" as adopted in Luxembourg by the Commission de Surveillance du Secteur Financier. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view of the financial position of the Group as at June 30, 2010, and of its financial performance and its consolidated cash flows for the six-month period then ended in accordance with International Accounting Standard 34, "Interim financial reporting" as adopted by the European Union.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, August 27, 2010



Paul Neyens

Consolidated Statement of Financial Position

	Notes	30 June 2010	31 December 2009
Assets			
Cash and cash equivalents	5	519.5	1,347.6
Financial assets held for trading	6	1,649.6	366.4
Hedging derivatives		0.1	0.5
Loans and receivables to credit institutions	7	11,691.1	3,772.0
Loans and receivables to customers	8	12,653.7	21,814.1
Financial assets available-for-sale	9	8,454.5	5,834.8
Financial assets held to maturity	10	1,735.5	1,701.4
Financial assets designated at fair value through profit or loss		438.4	10.1
Investments in associates accounted for under the equity method	11	62.6	63.0
Investment properties	12	16.9	635.6
Tangible assets		282.4	317.0
Goodwill and other intangible assets		14.5	148.8
Current and deferred tax assets		32.0	96.4
Other assets		457.1	693.8
Prepayments and accrued income		318.1	395.1
Non-current assets held for sale and discontinued operations	20	14,173.1	6,041.9
Total assets		52,499.1	43,238.5
Liabilities			
Financial liabilities held for trading	6	754.3	520.5
Hedging derivatives		51.5	47.0
Deposits from credit institutions	13	8,202.7	9,278.9
Deposits from customers	14	22,086.0	13,663.2
Debt certificates	15	6,033.4	6,350.4
Subordinated liabilities		598.0	604.8
Current and deferred tax liabilities		270.7	221.2
Provisions		72.4	80.4
Other liabilities		496.0	625.9
Accruals and deferred income		196.0	210.8
Liabilities linked to non-current assets held for sale and discontinued operations	20	8,174.3	5,464.7
Total liabilities		46,935.3	37,067.8
Equity attributable to the owners of the parent		5,572.3	6,181.7
Non-controlling interests		-8.5	-11.0
Total equity		5,563.8	6,170.7
Total liabilities and equity		52,499.1	43,238.5

The notes refer to the "notes to the consolidated interim financial statements".

Consolidated Income Statement

	Notes	First Half-Year 2010	First Half-Year 2009 (1)
Continued operations			
Interest and similar income (2)	16	514.9	725.2
Interest expense and similar charges	16	-260.5	-420.0
Dividends and other investment income		21.0	10.9
Share of the profit or loss of associates accounted for under the equity method		5.9	3.4
Fee and commission income	17	136.8	166.0
Fee and commission expense	17	-38.2	-44.6
Net realised capital gains (losses) on investments	18	15.1	-9.0
Other net realised and unrealised gains		64.6	24.6
Other income		36.9	8.4
Net operating income before change in impairments		496.5	464.9
Change in Impairments	19	-58.9	22.0
Total net operating income		437.6	486.9
Staff expenses		-152.5	-104.0
Other administrative expenses		-76.8	-56.8
Amortisation of tangible and intangible assets		-13.6	-12.9
Total operating expenses		-242.9	-173.7
Profit before tax		194.7	313.2
Tax expense		-53.0	-84.8
Net profit for the period of continued operations		141.7	228.4
Net profit/ loss for the period of discontinued operations	20	-31.2	-37.6
Net profit for the period		110.5	190.8
Net profit attributable to:			
Non-controlling interest		- 0.1	- 0.2
- of which: net loss of continued operations		- 0.1	- 0.2
Owners of the parent		110.6	191.0
- of which : net profit of continued operations		141.8	228.6
- of which : net profit/loss of discontinued operations		-31.2	-37.6

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

(2) Interest and similar income is including the interest income from the financing of the leasing entities by the Bank for EUR 65.7 million (First Half- Year 2009: EUR 96.7 million)

The notes refer to the "notes to the consolidated interim financial statements".

Consolidated Statement of Comprehensive Income

	30 June 2010	30 June 2009 (1)
Net profit for the period	110.5	190.8
Other comprehensive income		
Foreign currency translation		
Foreign currency translation movements during the period, before tax	20.0	2.0
Foreign currency translation reclassified to the income statement from equity	-	-
Income tax relating to foreign currency translation movements	-	-
Subtotal foreign currency translation movements during the period, net of tax	20.0	2.0
Financial assets available-for-sale		
Net unrealised gains on financial assets available-for-sale, before tax	108.3	23.9
Impairment charges reclassified to the income statement from equity	12.2	94.8
Realised gains reclassified to the income statement from equity	-4.7	-7.3
Realised losses reclassified to the income statement from equity	3.9	34.2
Income tax relating to net unrealised gains/(losses) on financial assets available-for-sale	-15.7	-41.7
Subtotal net unrealised gains/(losses) on financial assets available-for-sale, net of tax	104.0	103.9
Total other comprehensive income, net of tax	124.0	105.9
Total comprehensive income for the period, net of tax	234.5	296.7
Total comprehensive income for the period, net of tax, attributable :		
To non-controlling interests	-0.1	-0.2
Of which : Net profit of continued operations	-0.1	-0.2
To owners of the parent	234.6	296.9
Of which : Net profit of continued operations	219.2	382.8
Of which : Net profit of discontinued operations	15.4	-85.9

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

Consolidated Statement of Changes in Equity

	Share capital	Share premium reserve	Other reserves	Foreign currency translation reserve	Net profit attributable to owners of the parent	Revaluation reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2009	698.6	2,676.3	2,880.4	-37.8	-107.2	-309.9	5,800.4	8.4	5,808.8
Net profit for the period	-	-	-	-	191.0	-	191.0	-0.2	190.8
Total other comprehensive income for the period	-	-	-	2.0	-	103.9	105.9	-	105.9
Foreign currency translation differences for foreign operations	-	-	-	2.0	-	-	2.0	-	2.0
Net unrealised gains/(losses) on financial investments available-for-sale, before tax	-	-	-	-	-	23.9	23.9	-	23.9
Income tax relating to net unrealised gains/(losses) on financial assets available-for-sale	-	-	-	-	-	-41.7	-41.7	-	-41.7
Realised gains/(losses) reclassified to the income statement from equity	-	-	-	-	-	26.9	26.9	-	26.9
Impairment charges reclassified to the income statement from equity	-	-	-	-	-	94.8	94.8	-	94.8
Transactions with equity holders of the parent, recorded directly in equity	14.5	85.5	-	-	-	-	100.0	-	100.0
Issue of share capital	14.5	85.5	-	-	-	-	100.0	-	100.0
Transfers	-	-	-107.2	-	107.2	-	-	-	-
Change in consolidation method (1)	-	-	-	-	-	-	-	-4.9	-4.9
Other	-	-	-0.4	-	-	-	-0.4	-	-0.4
Balance at 30 June 2009	713.1	2,761.8	2,772.8	-35.8	191.0	-206.0	6,196.9	3.3	6,200.2

(1) During the first half-year 2009, the Bank proceeded to a partial disposal of its participation in Internaxx Bank SA, thus reducing the percentage of capital held from 75% to 25%.

Consolidated Statement of Changes in Equity (continued)

	Share capital	Share premium reserve	Other reserves	Foreign currency translation reserve	Net profit attributable to owners of the parent	Revaluation reserve	Equity attributable to owners of the parent	Non-controlling interest	Total equity
Balance at 1 January 2010	713.1	2,761.8	2,772.8	-23.0	6.2	-49.2	6,181.7	-11.0	6,170.7
Net profit for the period	-	-	-	-	110.6	-	110.6	-0.1	110.5
Dividends	-	-	-330.2	-	-	-	-330.2	-	-330.2
Total comprehensive income for the period	-	-	-	20.0	-	104.0	124.0	-	124.0
Foreign currency translation differences for foreign operations	-	-	-	20.0	-	-	20.0	-	20.0
Net unrealised gains/(losses) on financial assets available-for-sale and on Net Investment Hedge, before tax	-	-	-	-	-	108.3	108.3	-	108.3
Income tax relating to net unrealised gains/(losses) on financial assets available-for-sale	-	-	-	-	-	-15.7	-15.7	-	-15.7
Realised gains/(losses) reclassified to the income statement from equity	-	-	-	-	-	-0.8	-0.8	-	-0.8
Impairment charges reclassified to the income statement from equity	-	-	-	-	-	12.2	12.2	-	12.2
Transactions with equity holders of the parent, recorded directly in equity	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Transfers	-	-	6.2	-	-6.2	-	-	-	-
Consolidation difference directly recognised as an adjustment of equity (Note 21) (3)	-	-	-522.3	-	-	-	-522.3	-	-522.3
Change in consolidation method (2)	-	-	-	-	-	-	-	2.6	2.6
Other	-	-	8.5	-	-	-	8.5	-	8.5
Balance at 30 June 2010	713.1	2,761.8	1,935.0	-3.0	110.6	54.8	5,572.3	-8.5	5,563.8

(2) During the first half-year 2010, the Bank proceeded to a change in consolidation method (from full scope to equity method) for FOLEA GRUNDSTÜCKSV ERWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT LEVERKUSEN KG, a german leasing entity.

(3) The integration of BNP Paribas Luxembourg SA has been accounted for using the "Pooling of interest" method as described in the accounting principles of the annual financial statements at 31 December 2009. Accordingly, the consolidation difference recognised on the acquisition of BNP Paribas Luxembourg SA has been directly recognised as an adjustment of equity.

Consolidated Statement of Cash Flows

	First Half-Year 2010	First Half-Year 2009
Cash and cash equivalents - at 1 January	1,347.6	8,418.6
Profit before tax	122.0	291.1
<i>Non-cash items included in profit before tax and other adjustments:</i>		
Net realised gains (losses) on sales	-34.5	12.6
Net unrealised gains (losses)	-20.6	124.8
Share of the profit or loss of associates accounted for under equity method, net of dividends received	-3.8	-2.8
Amortisations	-52.3	100.8
Provisions and impairments	202.9	74.9
<i>Changes in operating assets and liabilities:</i>		
Held for trading financial assets and liabilities	-62.4	-173.0
Loans and receivables to credit institutions	-473.8	251.2
Loans and receivables to customers	1,097.9	386.8
Deposits from credit institutions	1,419.4	-1,436.7
Deposits from customers	200.7	1,559.5
Net changes in other operational assets and liabilities	-540.8	-337.5
Tax paid	-21.9	-95.3
Net cash (used in) from operating activities	1,832.8	756.4
Purchases of investments	-490.0	-830.8
Sales and redemptions of investments	1,022.2	2,143.0
Purchases of investment property	-1.4	-2.3
Sales of investment property	0.8	-
Purchases of tangible assets	-5.0	-17.9
Sales of tangible assets	0.3	0.7
Purchase of subsidiaries, net of cash acquired	-2,667.2	-
Disposals of subsidiaries, net of cash sold	339.0	18.0
Acquisitions of intangible assets	-0.6	-0.5
Sales of intangible assets	-	0.3
Impact of change in the scope of consolidation	-57.5	-14.4
Net cash from investing activities	-1,859.4	1,296.1
Issuance of debt certificates	2,377.6	936.9
Redemption of debt certificates	-3,001.5	-1,493.4
Redemption of subordinated liabilities	-25.0	-
Issuance of other borrowings	-	-
Redemption of other borrowings	-	-0.6
Dividends paid to shareholders	-330.2	-
Net cash from financing activities	-979.1	-557.1
Impacts of foreign exchange differences on cash and cash equivalents	177.6	-16.5
Cash and cash equivalents - at 30 June	519.5	9,897.5
<i>Supplementary disclosures of operating cash flow information</i>		
Interest received	297.0	462.1
Dividends received	11.1	10.0
Interest paid	-211.6	-352.4
<i>Net cash used for non-current assets and liabilities held for sale and discontinued operations</i>		
Net cash used in operating activities	-390.3	112.3
Net cash from investing activities	-57.0	-53.0
Net cash from financing activities	4.6	-0.6

1 General Information

BGL BNP Paribas SA, referred below as "the Bank" or as "BGL BNP Paribas", was founded on 29 September 1919 as "Banque Générale du Luxembourg". The Bank took the legal form of a limited company under Luxembourg law on 21 June 1935. Since the Extraordinary General Meeting of Shareholders of 17 November 2005, the Bank operated under the name "Fortis Banque Luxembourg". The Extraordinary General Meeting of Shareholders of 15 December 2008 voted to change the name of the Bank from "Fortis Banque Luxembourg" to "BGL" and to "BGL BNP Paribas" by the Extraordinary general Meeting of Shareholders of 11 June 2009 with effect as of 21 September 2009.

The corporate purpose of the Bank is to engage in all types of banking and financial operations and services, to take participating interests in businesses as well as to undertake commercial, industrial and other operations including transactions in moveable or real estate property, for its own account and on behalf of third parties, relating directly or indirectly to its corporate purpose or being conducive to favour its achievement. It may perform its activities in the Grand Duchy of Luxembourg or abroad.

Following transactions in France, Belgium and Luxembourg, the BNP Paribas Group is now the majority shareholder of BGL BNP Paribas. It controls, directly and indirectly through Fortis Bank, 65.96% of the bank's capital.

The Luxembourg State is a significant shareholder of the Bank with a 34% interest.

The Bank is included in the consolidated financial statements of Fortis Banque SA, its principal shareholder (50.00% + 1 voting right). The consolidated financial statements of Fortis Banque SA are available at its registered address, which is 3 Montagne du Parc, Brussels, Belgium.

The BNP Paribas Group is the broadest grouping of businesses in which the Bank is included as a subsidiary. The consolidated financial statements of the BNP Paribas Group are available at its registered address, which is 16 boulevard des Italiens – 75009 Paris, France.

The BGL BNP Paribas consolidated interim financial statements have been approved by the Board of Directors on 26 August 2010.

2 Summary Accounting Policies and Principles of Consolidation

2.1 General information

The Bank's consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations existing as at 30 June 2010 and as adopted by the European Union.

The Bank's consolidated interim financial statements for the first half-year of 2010, including the 2009 comparative figures, have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and include condensed financial statements (consolidated statement of financial positions, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flows) and selected explanatory notes. The Bank's consolidated interim financial statements for the period ended 30 June 2010 should be read in conjunction with the Bank's audited consolidated financial statements for the year ended 31 December 2009 (including the accounting policies) which are available on the Bank's web site at <http://www.bgl.lu>.

The consolidated interim financial statements are stated in euros, which is the functional currency of the Bank.

2.2 Changes in accounting policies

The accounting policies used to prepare the consolidated interim financial statements for the first half-year 2010 are consistent with those applied in the Bank's consolidated financial statements for the year ended 31 December 2009, except for the following changes that have been applied. A more extensive description of the accounting policies is included in the Bank's consolidated financial statements for the year ended 31 December 2009.

The following change to Standards (IFRSs) and Interpretations (IFRICs) came into effect during the first half of 2010 and has no significant impact for the Group as at 30 June 2010:

- IAS 27 (revised), "Consolidated and separate financial statements". The revised standard requires the effects of all transactions with the non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is already the accounting policy elected by the Bank. The standard also specifies the accounting treatment when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in the income statement. The Group applied IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010.

The following new standards, amendments to standards and interpretations have been published and are mandatory for the Group's accounting period beginning on 1st January 2010 or later periods but have no impact or are expected to have a very limited impact for the Group :

- IFRS 3 (revised), "Business combinations". The revised standard continues to apply the acquisition method to business combinations. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group applied IFRS 3 (revised) prospectively to all business combinations except those involving entities under common control, from 1st January 2010;
- IFRIC 17, "Distributions of non-cash assets to owners" – effective from 1st January 2010;
- IFRIC 18, "Transfers of assets from customers" – effective from 1st January 2010.

In the framework of the 2008 annual improvement to IFRS, IASB has precised that an entity committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale when the criteria set out in paragraphs 6-8 of IFRS 5 are met, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale. This decision from the IASB is applicable prospectively for the annual period beginning 1st July 2009.

Following this decision, the Bank has reclassified leasing entities in assets and liabilities held for sale and in discontinued operations as at 30 June 2010.

In relation with the application of IFRS 5, the Bank has chosen not to eliminate the inter-company balances against the discontinued operations to reflect a post-disposal situation of the consolidated income statement.

2.3 Accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009.

2.4 Operating segment

Operating segments represent the activities of the Bank. They are presented in accordance with the internal reporting addressed to the Management Board. The Management Board is the board responsible for the allocation of the Bank's resources to the different operational segments and for the measurement of their performance. The Bank is organised in five businesses, further subdivided into business segments:

- Retail Banking ;
- Asset Management ;
- Private Banking ;
- Merchant Banking.
- BNP Paribas Luxembourg SA

Transactions between the different segments are executed under standard commercial terms and conditions.

2.5 Changes in classifications

There is no change in classifications.

2.6 Consolidation principles

Subsidiaries

The consolidated interim financial statements include the financial statements of BGL BNP Paribas SA and its subsidiaries. Subsidiaries are those companies, on which the Bank, directly or indirectly, has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities ("control"). Subsidiaries are consolidated from the date on which effective control is transferred to the Bank and are no longer consolidated from the date the control ceases.

Intercompany transactions, balances and gains and losses on transactions between the Bank's companies are eliminated. Non controlling interests in the net assets and the net results of consolidated subsidiaries are shown separately on the balance sheet and income statement. Non controlling interest is stated at the quota share of the recognised amount of the acquiree's identifiable net assets at the date of the acquisition. Subsequent to the date of the acquisition, minority interest comprises the amount calculated at the date of the acquisition and the minority's share of changes in equity since the date of acquisition.

The existence and impact of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Bank controls another entity.

Joint ventures

Investments in joint ventures are accounted for using the equity method. Joint ventures are contractual agreements whereby the Bank and other parties undertake an economic activity that is subject to joint control.

Investments in associates accounted for under the equity method

Investments in associates where the Bank has significant influence, but which it does not control, are accounted for using the equity method. The ownership share of net income for the year is recognised in the income statement at the Bank's share of the net assets of the associate accounted for under the equity method. Goodwill recognised from an acquisition of an associate accounted for under the equity method is presented as part of the investment in that associate.

Gains on transactions between the Bank and associates accounted for under the equity method are eliminated to the extent of the Bank's interest. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Adjustments are made to the financial statements of the associates to ensure consistent accounting policies across the Bank.

Losses are recognised until the carrying amount of the investment is reduced to nil and further losses are only recognised to the extent that the Bank has incurred legal or constructive obligations or made payments on behalf of an associate accounted for under the equity method.

3 Consolidation Scope

Year 2009

In January 2009, the Bank acquired the remaining shares amounting to 3.46% in Fundamentum Asset Management SA to hold 100% in this entity. The Extraordinary General Meeting of Shareholders held on 2 April 2009 decided to put this company into liquidation.

During February 2009, the Bank proceeded to a partial disposal of its participation in Internaxx Bank SA, thus reducing the percentage of capital held from 75% to 25%. Internaxx Bank SA is during the year 2009 accounted for under the equity method. In April 2010 the Bank sold its participation in Internaxx Bank SA to the other shareholder Toronto Dominion Bank.

Moreover due to a capital increase at the level of Fortis Banque Monaco SAM, where BGL BNP Paribas was the sole shareholder to participate, the share in capital held was increased from 99.00% to 99.33%. In December 2009 the Bank purchased the remaining shares and sold 100% of Fortis Banque Monaco SAM to a company of the BNP Paribas Group established in Monaco.

The Bank decided not to consolidate anymore its subsidiary Captive Finance Corporation Ltd as the entity stopped its activity and was not material. In November 2009 the leasing entity Fortis Lease Finland OY was liquidated.

The Bank decided to cease its securitisation transaction and not to consolidate its subsidiary Park Mountain Lease BV anymore.

First Half-Year 2010

During February 2010, the Bank acquired 100% of BNP Paribas Luxembourg SA, company fully consolidated by BGL BNP Paribas SA. Six companies fully controlled by BNP Paribas Luxembourg, ie Paribas Trust Luxembourg SA, Royale Neuve Investments S.à r.l., ImmoParibas Royal Neuve SA, Compagnie Financière de la Porte Neuve SA, Royale Neuve Finance S.à r.l. and Black Kyte Investments Ltd (Ireland) were also included in the Bank's scope of consolidation. Three other companies fully held by BNP Paribas Luxembourg SA, ie Robin Flight Ltd, Swallow flight Ltd and Plagefin ("Placement, Gestion Finance holding SA") were not consolidated as they are not significant.

During March 2010, the leasing entities Fortis Lease Norge AS and Fortis Lease Sweden AB were sold to a company out of the Bank's group.

The leasing company Dreieck One Limited of the Cayman Islands was liquidated on 31st March 2010.

On 1st April 2010, BGL BNP Paribas sold its participation of 15.33% in Fortis Investment Management (FIM) SA, company consolidated under the equity method. From the related sale proceeds, the Bank has subscribed to an increase in the share capital of BNP Paribas Investment Partners SA representing 5.33% of shareholding. BNP Paribas Investment Partners SA is not included in the consolidation scope.

In April 2010 the Bank's Swiss bank-entity Fortis Banque Suisse SA was sold within the framework of the restructuring plan of BNP Paribas.

The subsidiary FAM Fund Advisory SA has been liquidated in May 2010.

As a consequence of the reorganization of the leasing activities and as part of the convergence of the Bank to BNP Paribas Group accounting policy leading to an alignment of the Bank consolidation scope threshold to the one of BNP Paribas Group, several changes in the consolidation scope took place in the first half-year 2010:

- Change of consolidation method from fully consolidated to companies accounted for under the equity method for following entities:
 - Folea Grundstücksverwaltungs- und Vermietungs GmbH & Co. Objekt Leverkusen KG
 - Fortis Lease Hungaria Operativ Lizing Zrt.
 - Fortis Lease Hungaria Eszközfinanszírozási Penzügyi Lizing Zártkörűen Működő Részvénytársaság
- Out of scope of consolidation for the fully consolidated following companies:
 - Fortis Lease Holdings UK Ltd.
 - Global Management Services SA
 - Fortis Lease Holding Norge AS
 - Fortis Lease Danmark
 - Captive Finance Ltd (Hong-Kong)
 - Captive Finance Taiwan Co. Ltd
 - Fortis Lease Hong-Kong Ltd
 - Fortis Lease Singapore Pte. Ltd
 - Fortis Lease Malaysia Sdn. Bhd.
 - Folea Verwaltungs GmbH
 - Folea II Verwaltungs GmbH
 - Folea III Verwaltungs GmbH
 - Folea Grundstücksverwaltungs- und Vermietungs GmbH & Co. Objekt Thaltingen KG
 - Fortis Lease Hungaria Ingatlanfinanszírozási Penzügyi Lizing ZRT.
 - Argance Sàrl
 - Dalgarno SA
 - Delvino SA
 - Eris Investments Sàrl
 - Pattison Sàrl
 - Quinton Funding Sàrl
 - Tabor Funding Sàrl
- Out of scope of consolidation for the company accounted for under the equity method:
 - Marie-Lease Sàrl.

Fully consolidated companies:

Name	Registered Office	Activity	Percentage of capital held	
			30 June 2010	30 June 2009
ACE EQUIPMENT LEASING NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	100.00%	100.00%
ACE LEASING NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	100.00%	100.00%
ALLERAY Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
ARGANCE Sàrl (****)	LUXEMBOURG	Financing vehicle	-	100.00%
BLACK KYTE INVESTMENTS Ltd (*)	DUBLIN (IRLANDE)	Investment Company	100.00%	-
BNP PARIBAS LEASE GROUP LUXEMBOURG SA (formerly FORTIS LEASE LUXEMBOURG SA) (*)	LUXEMBOURG	Leasing	100.00%	100.00%
BNP PARIBAS LUXEMBOURG SA	LUXEMBOURG	Bank	100.00%	-
CAPTIVE FINANCE Ltd (*) (****)	WANCHAI (HONG KONG)	Leasing	-	100.00%
CAPTIVE FINANCE TAIWAN CO. Ltd (in liquidation) (*) (****)	TAIPEI (TAIWAN)	Leasing	-	100.00%
COFHYLUX SA	LUXEMBOURG	Real estate company	100.00%	100.00%
COMPAGNIE FINANCIERE DE LA PORTE NEUVE SA (*)	LUXEMBOURG	Financing vehicle	100.00%	-
DALGARNO SA (****)	LUXEMBOURG	Financing vehicle	-	100.00%
DELVINO SA (****)	LUXEMBOURG	Financing vehicle	-	100.00%
DREIECK ONE Ltd (*) (liquidated)	GEORGES TOWN (CAIMAN ISLANDS)	Leasing	-	100.00%
ERIS INVESTISSEMENTS Sàr (****)l	LUXEMBOURG	Financing vehicle	-	100.00%
ES-FINANCE NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	100.00%	100.00%
FAM FUND ADVISORY SA (liquidated)	LUXEMBOURG	Advisory company	-	100.00%
F.L. ZEEBRUGGE NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	75.00%	100.00%
FOLEA VERWALTUNGS GmbH (*) (****)	DÜSSELDORF (D)	Leasing	-	100.00%
FOLEA II VERWALTUNGS GmbH (*) (****)	DÜSSELDORF (D)	Leasing	-	100.00%
FOLEA III VERWALTUNGS GmbH (*) (****)	DÜSSELDORF (D)	Leasing	-	100.00%
FOLEA GRUNDSTÜCKSVÉRWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT BURTENBACH-KG (*)	DÜSSELDORF (D)	Leasing	6.00% (**)	6.00% (**)
FOLEA GRUNDSTÜCKSVÉRWALTUNGS- UND VERMIETUNGS GmbH & Co, OBJEKT THÄLFINGEN KG (*)	DÜSSELDORF (D)	Leasing	-	6.00% (**)
FOLEA GRUNDSTÜCKSVÉRWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT LEVERKUSEN KG (*) (****) (change of consolidation method)	DÜSSELDORF (D)	Leasing	-	6.00% (**)
FORTIS BANQUE MONACO SAM	MONACO (MC)	Bank	-	99.33%

Name	Registered Office	Activity	Percentage of capital held	
			30 June 2010	30 June 2009
FORTIS BANQUE (SUISSE) SA	GENEVA (CH)	Bank	-	100.00%
FORTIS FINANSAL KIRALAMA AS (*)	ISTANBUL (TR)	Leasing	100.00%	100.00%
FORTIS LEASE (B) SA (*)	BERCHEM- SAINT- AGATHE (B)	Leasing	100.00%	100.00%
FORTIS LEASE (CHINA) CO Ltd (*)	BEIJING (CHINA)	Leasing	100.00%	100.00%
FORTIS LEASE C.T. SA (*)	BERCHEM- SAINT- AGATHE (B)	Leasing	100.00%	100.00%
FORTIS LEASE CZECH LLC (*)	PRAGUE (CZ)	Leasing	100.00%	100.00%
FORTIS LEASE DANMARK AS (formerly CAPTIVE FINANCE DANMARK AS) (*)	BALLERUP (DK)	Leasing	-	100.00%
FORTIS LEASE DEUTSCHLAND AG (*)	DÜSSELDORF (D)	Leasing	100.00%	100.00%
FORTIS LEASE FINLAND O.Y. (formerly: CAPTIVE FINANCE FINLAND OY) (*) (liquidated)	HELSINKI (FIN)	Leasing	-	100.00%
FORTIS LEASE FRANCE SA (*)	PUTEAUX (F)	Leasing	100.00%	100.00%
FORTIS LEASE GROUP SA	LUXEMBOURG	Leasing	100.00%	100.00%
FORTIS LEASE GROUP SERVICES SA/ NV (*)	BRUSSELS (B)	Leasing	100.00%	100.00%
FORTIS LEASE HOLDING NORGE AS (formerly: CAPTIVE FINANCE HOLDING AS) (*)	OSLO (N)	Leasing	-	100.00%
FORTIS LEASE HOLDINGS UK Ltd (*) (****)	LONDON (GB)	Leasing	-	100.00%
FORTIS LEASE HONG KONG Ltd (formerly CF CORPORATION Ltd) (*) (****)	WANCHAI (HONG KONG)	Leasing	-	100.00%
FORTIS LEASE HUNGARIA OPERATIV LIZING ZRT (*) (change of consolidation method) (***)	BUDAPEST (H)	Leasing	-	100.00%
FORTIS LEASE HUNGARIA ESZKÖZFINANSZIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÓDO RESZVENYTARSASAG (*) (change of consolidation method) (***)	BUDAPEST (H)	Leasing	-	100.00%
FORTIS LEASE HUNGARIA INGATLANFINANSZIROZASI PENZÜGYI LIZING ZRT (*)	BUDAPEST (H)	Leasing	-	100.00%
FORTIS LEASE HUNGARIA GEPJARMUFINANSZIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÓDO RESZVENYTARSASAG (*) (change of consolidation method) (***)	BUDAPEST (H)	Leasing	-	100.00%
FORTIS LEASE IBERIA EFC SA (*)	BARCELONA (E)	Leasing	78.61%	78.61%
FORTIS LEASE IMMOBILIER (SUISSE) SA (*)	LAUSANNE (CH)	Leasing	100.00%	100.00%
FORTIS LEASE (MALAYSIA) SDN Bhd (formerly CF CAPITAL (M) SDN Ltd) (*) (****)	KUALA LUMPUR (MALAYSIA)	Leasing	-	100.00%
FORTIS LEASE NEDERLAND NV (*)	HERTOGENBOS CH (NL)	Leasing	100.00%	100.00%
FORTIS LEASE NORGE AS (formerly: CAPTIVE FINANCE NORGE AS) (*)	OSLO (N)	Leasing	-	100.00%
FORTIS LEASE POLSKA Sp. Zoo (*)	WARSAW (PL)	Leasing	100.00%	100.00%
FORTIS LEASE PORTUGAL SA (*)	LISBON (P)	Leasing	100.00%	100.00%
FORTIS LEASE ROMANIA IFN SA (*)	BUCHAREST (RO)	Leasing	100.00%	100.00%
FORTIS LEASE SINGAPORE PTE Ltd (formerly CF CAPITAL (S) PTE Ltd) (*) (****)	SINGAPORE	Leasing	-	100.00%
FORTIS LEASE SpA (*)	TREVISO (I)	Leasing	100.00%	100.00%
FORTIS LEASE (SUISSE) SA (*)	LAUSANNE (CH)	Leasing	100.00%	100.00%
FORTIS LEASE SWEDEN AB (formerly CAPTIVE FINANCE SWEDEN AB) (*) (****)	LINKÖPING (S)	Leasing	-	100.00%
FORTIS LEASE UK Ltd (*)	LONDON (GB)	Leasing	100.00%	100.00%

Name	Registered Office	Activity	Percentage of capital held	
			30 June 2010	30 June 2009
FUNDAMENTUM ASSET MANAGEMENT SA (FAM) (in liquidation)	LUXEMBOURG	Asset Management	100.00%	100.00%
GLOBAL MANAGEMENT SERVICES LLC (*)****	BUCHAREST (RO)	Leasing	-	100.00%
IMMOPARIBAS ROYAL NEUVE SA (*)	LUXEMBOURG	Real Estate company	100.00%	-
PARIBAS TRUST LUXEMBOURG SA (*)	LUXEMBOURG	Investment Company	100.00%	-
PATTISON Sàrl ****	LUXEMBOURG	Financing vehicle	-	100.00%
QUANTON FUNDING Sàrl ****	LUXEMBOURG	Financing vehicle	-	100.00%
ROYALE NEUVE FINANCES Sàrl (*)	LUXEMBOURG	Financing vehicle	100.00%	-
ROYALE NEUVE INVESTMENTS Sàrl (*)	LUXEMBOURG	Financing vehicle	100.00%	-
SOCIETE ALSACIENNE DE DEVELOPPEMENT ET D'EXPANSION SA (SADE)	STRASBOURG (F)	Financial institution	100.00%	100.00%
TABOR FUNDING Sàrl (*)	LUXEMBOURG	Financing vehicle	-	100.00%

Companies accounted for under the equity method:

Name	Registered Office	Activity	Percentage of capital held	
			30 June 2010	30 June 2009
Associates				
ALSABAIL SA (*)	STRASBOURG (F)	Credit Institution	40.68%	40.68%
INTERNAXX BANK SA	LUXEMBOURG	Bank	-	25.00%
FASTNET BELGIUM SA	BRUSSELS (B)	Administration of UCIT"s	47.80%	47.80%
FASTNET LUXEMBOURG SA	LUXEMBOURG	Administration of UCIT"s	47.79%	47.79%
FASTNET NEDERLAND NV	AMSTERDAM (NL)	Administration of UCIT"s	47.84%	47.84%
FOLEA GRUNDSTÜCKSVERWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT LEVERKUSEN KG (*) (change of consolidation method) (**)	DÜSSELDORF (D)	Leasing	6.00%	6.00% (**)
FORTIS INTERTRUST GROUP HOLDING SA	GENEVA (CH)	Financial institution	-	25.04%
FORTIS INVESTMENT MANAGEMENT SA (FIM)	BRUSSELS (B)	Asset Management	-	15.33%
FORTIS LEASE HUNGARIA OPERATIV LIZING ZRT (*) (change of consolidation method) (**)	BUDAPEST (H)	Leasing	100.00%	-
FORTIS LEASE HUNGARIA ESZKÖZFINANSZIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÖDO RESZVENYTARSASAG (*) (change of consolidation method) (**)	BUDAPEST (H)	Leasing	100.00%	-

Name	Registered Office	Activity	Percentage of capital held	
			30 June 2010	30 June 2009
FORTIS LEASE HUNGARIA GEPJARMUFINANSTIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÖDO RESZVENYTARSASAG (*) (change of consolidation method) (***)	BUDAPEST (H)	Leasing	100.00%	-
NISSAN FINANCE BELGIUM NV (*)	BRUSSELS (B)	Leasing	25.00%	25.00%

Joint ventures

FORTIS LUXEMBOURG-VIE SA	LUXEMBOURG	Insurance	50.00%	50.00%
MARIE LEASE Sàrl (*) (****)	LUXEMBOURG	Leasing	-	50.00%
POSTBANK IRELAND Ltd	DUBLIN (IRL)	Bank	50.00%	50.00%

(*) Companies held through a subsidiary but directly consolidated by the Bank

(**) Companies controlled and consolidated through agreements between shareholders

(***) Companies reported in both „Companies accounted for under the equity method“ and „Fully consolidated companies“ only for comparative reasons.

(****) Companies deconsolidated as not significant for the Group.

4 Dividend

BGL BNP Paribas has paid a dividend for an amount of EUR 330.2 in the first half-year 2010 (30 June 2009: Nil).

5 Cash and Cash Equivalents

	30 June 2010	31 December 2009
Cash on hand	26.8	30.7
Balances with central banks readily convertible in cash other than mandatory reserve deposits	92.9	30.1
Loans to credit institutions	399.7	1,285.5
Other	0.2	1.3
Total	519.6	1,347.6
Impairments for incurred but not reported credit risk (IBNR)	-0.1	-
Total cash and cash equivalents	519.5	1,347.6

6 Financial Assets and Liabilities held for trading

6.1 Financial assets held for trading

The following table provides a specification of financial assets held for trading:

	30 June 2010	31 December 2009
Debt securities:		
- Government bonds	394.1	-
- Corporate debt securities	154.2	50.5
Equity securities	68.4	82.1
Total trading securities	616.7	132.6
Derivatives:		
Over the counter (OTC)	442.6	233.8
Exchange traded	0.5	-
Total trading derivatives	443.1	233.8
Other trading assets	589.8	-
Total financial assets held for trading	1,649.6	366.4

Other trading assets are mainly composed of money market instruments issued by BNP Paribas Paris for EUR 529.7 million.

The following table provides a specification of the methods used in determining the fair values of trading securities at 30 June 2010 and 31 December 2009:

	30 June 2010	31 December 2009
<i>Total trading securities (assets)</i>		
Fair values of trading securities supported by observable market data	616.7	132.6
Total	616.7	132.6

6.2 Financial liabilities held for trading

The table below shows the composition of financial liabilities held for trading:

	30 June 2010	31 December 2009
Short security sales	4.2	3.7
Derivative financial instruments:		
Over the counter (OTC)	749.3	516.8
Exchange traded	0.8	-
Total financial liabilities held for trading	754.3	520.5

7 Loans and Receivables to Credit Institutions

Loans and receivables to credit institutions consist of the following items:

	30 June 2010	31 December 2009
Interest-bearing deposits	-	25.9
Loans and advances	10,616.6	2,418.8
Mandatory reserve deposits with central banks	199.3	439.2
Held at fair value through profit or loss	759.5	772.4
Other	120.3	115.8
Total	11,695.7	3,772.1
Less impairments:		
- specific credit risk	-4.6	-0.1
- incurred but not reported credit risk (IBNR)	-	-
Loans and receivables to credit institutions	11,691.1	3,772.0

8 Loans and Receivables to Customers

Loans and receivables to customers consist of the following:

	30 June 2010	31 December 2009
Government and official institutions	442.0	437.1
Residential mortgage	2,707.2	2,610.3
Consumer loans	1,141.7	1,051.7
Commercial loans	6,284.7	6,778.3
Debt instruments	-	-
Financial lease receivables	-	10,774.6
Other loans	2,282.7	736.4
Loans at fair value through profit or loss	-	-
Fair value adjustments from hedge accounting	-	-
Total	12,858.3	22,388.4
Less impairments:		
- specific credit risk	-140.7	-373.8
- incurred but not reported credit risk (IBNR)	-63.9	-200.5
Net loans and receivables to customers	12,653.7	21,814.1

Impairments on loans to customers

Changes in impairments on loans to customers are as follows:

	First Half-Year 2010		First Half-Year 2009	
	Specific credit risk	Incurred but not reported credit risk (IBNR)	Specific credit risk	Incurred but not reported credit risk (IBNR)
Balance at 1 January	-373.8	-200.5	-221.9	-38.1
Acquisitions/divestments of subsidiaries	28.7	-1.8	-	-
Increase in impairments	-23.4	-26.2	-137.1	-7.8
Release of impairments	12.7	2.6	20.3	3.3
Write-offs of uncollectible loans	4.2	-	33.8	-
Foreign currency translation effects and other adjustments	-4.1	0.1	-0.9	-0.2
Transfer to assets held for sale	215.0	161.9	-	-
Balance at 30 June	-140.7	-63.9	-305.8	-42.8

Decrease in impairments on loans to customers is merely explained by the reclassification of leasing activities as "Non-current assets held for sale and discontinued operations".

9 Available-for-sale Financial Assets

The fair value and amortised cost of the Bank's available-for-sale financial assets including gross unrealised gains (losses) are as follows:

	Historical amortised cost	Unrealised gains	Unrealised losses	Fair value adjustments from hedge accounting	Impairments	Fair value
<i>30 June 2010</i>						
Government bonds	5,435.5	125.3	-34.9	13.9	-	5,539.8
Corporate debt securities	2,379.0	2.8	-71.6	40.5	-12.5	2,338.2
Private equities and venture capital	13.3	6.9	-	-	-3.3	16.9
Equity securities	228.6	6.5	-14.6	-	-1.0	219.5
Other investments	339.6	13.0	-	-	-12.5	340.1
Total	8,396.0	154.5	-121.1	54.4	-29.3	8,454.5
<i>31 December 2009</i>						
Government bonds	2,776.3	91.7	-40.4	11.2	-	2,838.8
Corporate debt securities	2,766.9	8.1	-70.1	37.7	-23.7	2,718.9
Private equities and venture capital	5.5	0.8	-	-	-2.9	3.4
Equity securities	235.7	9.9	-16.7	0.2	-	229.1
Other investments	44.9	0.4	-	-	-0.7	44.6
Total	5,829.3	110.9	-127.2	49.1	-27.3	5,834.8

Impairments on available-for-sale financial assets

The following table shows the changes in impairments on available-for-sale financial assets:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009</i>
Balance at 1 January	27.3	319.1
Increase in impairments	11.0	71.7
Release of impairments	-	-
Reversal on sale/disposal	-	-361.2
Foreign currency translation effects	2.1	1.7
Other adjustments	-11.1	-6.1
Balance at 30 June	29.3	25.2

The Bank applies an approach in two steps in its impairment testing process of financial instruments. First, an assessment is made to determine if objective evidence exists that a financial asset is impaired. Then, the Bank measures and recognises an impairment loss. The assessment of objective evidence is based on observable data ('triggers') about loss events.

Impairment losses are measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows.

10 Financial Assets Held to Maturity

	30 June 2010		31 December 2009	
	Carrying value	Fair value	Carrying value	Fair value
Government bonds	1,703.6	1,746.1	1,679.5	1,744.8
Corporate debt securities	31.9	33.9	21.9	22.4
Total	1,735.5	1,780.0	1,701.4	1,767.2

11 Investments in Associates Accounted for under the Equity Method

	30 June 2010		31 December 2009	
	Carrying value	Fair value	Carrying value	Fair value
Associates and joint ventures				
Fortis Investment Management SA	-	-	-	-
Fortis Luxembourg Vie SA	47.0	43.6	43.6	43.6
Postbank Ireland Ltd	-	-	-	-
Other	15.6	19.4	19.4	19.4
Total	62.6	63.0	63.0	63.0

The company Fortis Investment Management has been classified as "Non-current assets held for sale and discontinued operations" on 31 December 2009 and sold on 1st April 2010.

The participation held by the Bank in Postbank Ireland Ltd is fully impaired since 31 December 2009.

12 Investment Property

Investment property mainly comprises residential, commercial real estate and mixed use real estate, located primarily in Luxembourg. The following table shows the changes in investment property:

	30 June 2010	31 December 2009
Acquisition cost at 1 January	768.1	720.2
Acquisitions	1.4	38.1
Disposals	-0.3	-10.0
Transfer from buildings under construction	0.0	2.1
Foreign currency translation effects	3.3	0.1
Other	-734.9	17.6
<i>of which transferred to non-current assets held for sale and discontinued operations</i>	<i>-734.9</i>	<i>-</i>
Acquisition cost at end of the period/year	37.6	768.1
Accumulated depreciation at 1 January	-115.1	-96.8
Depreciation expense	-10.8	-20.2
Reversal of depreciations	-	1.3
Foreign currency translation effects	-0.1	-
Other	106.4	-0.4
<i>of which transferred to non-current assets held for sale and discontinued operations</i>	<i>106.4</i>	<i>-</i>
Accumulated depreciation at end of the period/year	-20.6	-116.1
Impairments at 1 January	-16.4	-6.4
Increase in impairments	-	-10.0
Reversal of impairments	-	-
Other	16.3	-
<i>of which transferred to non-current assets held for sale and discontinued operations</i>	<i>16.3</i>	<i>-</i>
Impairments at end of the period/year	-0.1	-16.4
Investment property	16.9	635.6
Fair value supported by market evidence	30.2	26.2
Fair value subject to an independent valuation	7.1	649.5
Total fair value of investment property	37.3	675.7

13 Deposits from Credit Institutions

Deposits from credit institutions are as follows:

	30 June 2010	31 December 2009
Deposits from credit institutions:		
On demand	816.9	249.2
Term deposit	4,631.7	3,632.1
Other deposits	512.0	17.9
Total deposits	5,960.6	3,899.2
Repurchase agreements	1,799.6	14.3
Advances against collateral	91.1	99.5
Other	351.4	5,265.9
Total deposits from credit institutions	8,202.7	9,278.9

The decrease in "other" is mainly due to the reclassification to liabilities linked to non-current assets held for sale (note 20) of the loans granted by credit institutions to the leasing entities for EUR 4,205 million.

14 Deposits from Customers

The components of deposits from customers are as follows:

	30 June 2010	31 December 2009
Demand deposits	7,799.6	5,270.8
Saving deposits	4,977.3	4,774.3
Time deposits	9,308.9	3,559.2
Other deposits	-	56.8
Other borrowings	0.2	2.1
Total deposits from customers	22,086.0	13,663.2

15 Debt Certificates

Debt certificates are composed of debt securities and other fixed interest rate securities. The Bank has issued the following types of debt certificates:

	30 June 2010	31 December 2009
Bons de caisse	422.5	460.8
Commercial paper	2,968.6	3,220.5
Other	139	4.3
Total at amortised cost	3,530.1	3,685.6
Held at fair value through profit or loss	2,503.3	2,664.8
Total debt certificates	6,033.4	6,350.4

16 Interest

16.1 Interest and similar income

The breakdown of interest and similar income is as follows:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009 (1)</i>
Interest on cash equivalents	12.8	57.1
Interest on amounts due from credit institutions	65.0	74.0
Interest on financial assets held to maturity	35.1	34.3
Interest on financial assets available-for-sale	113.6	154.8
Interest on loans and receivables to customers	228.6	297.7
Interest on financial assets held for trading and derivatives	59.4	93.6
Other interest	0.4	13.7
Total interest and similar income	514.9	725.2

16.2 Interest expense and similar charges

The breakdown of interest expense and similar charges is as follows:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009 (1)</i>
Interest on deposits from credit institutions	64.6	78.4
Interest on deposits from customers	58.7	123.6
Interest on debt certificates	42.5	64.8
Interest on subordinated liabilities	6.4	16.7
Interest on financial liabilities held for trading and derivatives	64.1	92.2
Interest on other liabilities	24.2	44.3
Total interest expense and similar charges	260.5	420.0

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

17 Fee and Commissions

17.1 Fee and commission income

Fee and commission income is as follows:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009 (1)</i>
Securities	31.6	28.1
Asset management	60.0	72.5
Payment services	11.1	9.0
Guarantees and commitments	10.8	10.7
Other	23.3	45.7
Total fee and commission income	136.8	166.0

17.2 Fee and commission expense

Fee and commission expense is as follows:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009 (1)</i>
Securities	12.7	22.6
intermediaries	0.9	0.1
Payment services	4.3	4.5
Custodian fees	1.4	4.5
Other	18.9	12.9
Total fee and commission expense	38.2	44.6

18 Net Realised Capital Gains on Investments

Net realised capital gains on investments are as follows:

	<i>First Half-Year 2010</i>	<i>First Half-Year 2009 (1)</i>
Debt securities (available-for-sale financial assets)	3.5	3.3
Securities reclassified to L&R	-0.2	0.3
Equity securities (available-for-sale financial assets)	0.1	-21.0
Real estate	-	-
Subsidiaries, investments in associates accounted for under the equity method	5.6	8.4
Other	6.1	-
Net realised capital gains on investments	15.1	-9.0

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

19 Change in Impairments

Change in impairments is as follows:

	First Half-Year 2010	First Half-Year 2009 (1)
Cash and cash equivalents	-	0.3
Loans and receivables to credit institutions	-	-0.3
Loans and receivables to customers	-33.0	-35.1
Credit commitments	-2.5	-3.3
Available-for-sale financial assets	-17.9	60.4
Investments in associates accounted for under the equity method	-5.6	-
Tangible assets	0.1	0.1
Other assets	-	-0.1
Total change in impairments	-58.9	22.0

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

In prior period ending 30 June 2009, the positive position of impairments on "available for sale financial assets" was explained by the release of provisions at the level of BGL BNP PARIBAS SA in the context of the sale of certain available-for-sale positions to the dedicated special purpose vehicle.

20 Non-current assets and liabilities held for sale and discontinued operations

On 31 December 2009, non-current assets held for sale and discontinued operations include mainly cash and cash equivalents as well as loans and receivables to customers. The operations of BGL Securities Services, Fortis Banque (Suisse) SA and Fortis Investment Management SA contribute for almost the total amount.

As at 1st April 2010, the Bank has decided to transfer to BNP Paribas (Paris), the control of its leasing entities (hereafter "disposal group"). The transfer of control of the disposal group is effective at 1st July 2010. As at 30 June 2010, the assets and liabilities, and profit and losses accounts of the disposal group have been classified respectively in non-current assets and liabilities held for sale, and in disposal group. On 30 June 2010 the disposal group comprises assets of EUR 14,173.1 million and liabilities of EUR 8,174.3 detailed as follows:

20.1 Assets

	30 June 2010	31 December 2009
Cash and cash equivalents	1,810.4	4,253.1
Held for trading financial assets	0.6	32.7
Loans and receivables to credit institutions	30.1	25.4
Loans and receivables to customers	10,956.5	1,434.4
Available-for-sale financial assets	67.2	2.4
Investment property	623.1	-
Investments in associates accounted for under the equity method	4.8	243.7
Tangible assets	55.7	19.9
Goodwill and other intangible assets	63.9	1.8
Current and deferred tax assets	99.9	7.0
Other assets	388.5	14.8
Prepayments and accrued income	72.4	6.7
Total assets	14,173.1	6,041.9

Intercompany transactions are still eliminated in non-current assets held for sale and discontinued operations.

20.2 Liabilities

	30 June 2010	31 December 2009
Liabilities held for trading	33.6	32.1
Hedging derivatives	37.4	1.2
Deposits from credit institutions	5,819.4	1,121.6
Deposit from customers	1,741.1	4,194.4
Subordinated liabilities	161.9	0.9
Current and deferred tax liabilities	29.0	5.0
Provisions	13.7	1.4
Other liabilities	259.5	94.7
Accruals and deferred income	78.7	13.4
Total liabilities	8,174.3	5,464.7

Intercompany transactions are still eliminated in liabilities linked to non-current assets held for sale and discontinued operations.

20.3 Discontinued operations

	Half-year 2010	Half-year 2009(1)
Gains on non-current assets held for sale and discontinued operations	597.9	574.3
Losses on non current assets held for sale and discontinued operations	-670.6	-596.4
Profit before tax	-72.7	-22.1
Income tax linked to non-current assets held for sale and discontinued operations	41.5	-15.5
Net profit of the period of discontinued operations	-31.2	-37.6

The net gain from the sale of Fortis Banque Suisse SA, Fortis Investments Management SA and Securities Services activities and their operating results for the period amounts to EUR 74.9 million. Moreover, the contribution relating to the leasing activities comes out at a loss of EUR 106.1 million.

First Half-Year 2009 figures have not been restated to transfer the results of the Securities Services activities on discontinued operations in accordance with IFRS 5, as the information is not available within a reasonable timeframe, and with reasonable effort.

(1) First Half-Year 2009 figures have been restated to transfer the results on discontinued operations in accordance with IFRS 5

21 Contribution

Carrying values of the assets and liabilities of BNP Paribas Luxembourg sub-group already included in BNP Paribas consolidation have been kept for the integration of this sub-group in BGL BNP Paribas' consolidation as at 30 June 2010.

The related contribution of BGL BNP Paribas SA excluding BNP Paribas Luxembourg sub-group ("BGL BNPP") and BNP Paribas Luxembourg sub-group ("BNPP Lux") in the Statement of Financial Position and Income statement are as follows:

Consolidated Statement of Financial position

	30 June 2010	30 June 2010	30 June 2010
		BGL BNPP	BNPP Lux
Assets			
Cash and cash equivalents	519.5	331.0	188.5
Financial assets held for trading	1,649.6	352.3	1,297.3
Hedging derivatives	0.1	0.1	-
Loans and receivables to credit institutions	11,691.1	3,545.9	8,145.2
Loans and receivables to customers	12,653.7	10,072.3	2,581.4
Financial assets available for sale	8,454.5	5,815.4	2,639.1
Financial assets held to maturity	1,735.5	1,735.5	-
Financial assets designated at fair value through profit or loss	438.4	8.4	430.0
Investments in associates accounted for under the equity method	62.6	62.6	-
Investment property	16.9	16.9	-
Tangible assets	282.4	254.5	27.9
Goodwill and other intangible assets	14.5	11.5	3.0
Current and deferred tax assets	32.0	13.3	18.7
Other assets	457.1	280.2	176.9
Prepayments and accrued income	318.1	264.3	53.8
Non-current assets held for sale and discontinued operations	14,173.1	14,173.1	-
Total assets	52,499.1	36,937.3	15,561.8
Liabilities			
Financial liabilities held for trading	754.3	469.5	284.8
Hedging derivatives	51.5	51.5	-
Deposits from credit institutions	8,202.7	4,429.3	3,773.4
Deposits from customers	22,086.0	13,390.3	8,695.7
Debt certificates	6,033.4	5,898.6	134.8
Subordinated liabilities	598.0	430.5	167.5
Current and deferred tax liabilities	270.7	207.9	62.8
Provisions	72.4	68.7	3.7
Other liabilities	496.0	478.2	17.8
Accruals and deferred income	196.0	168.4	27.6
Liabilities linked to non-current assets held for sale and discontinued operations	8,174.3	8,174.3	-
Total liabilities	46,935.3	33,767.2	13,168.1
Equity attributable to owners of the parent	5,337.7	5,860.0	-522.3
Other reserve	124.0	116.8	7.2
Result of the period attributable to owners of the parent	110.6	81.0	29.6
Purchase price of BNPP Lux	-	-2,879.1	2,879.1
Non-controlling interests	-8.5	-8.6	0.1
Total equity	5,563.8	3,170.1	2,393.7
Total liabilities and equity	52,499.1	36,937.3	15,561.8

21 Contribution (continued)

Consolidated Income Statement

	First Half-Year 2010	First Half-Year 2010	First Half-Year 2010
		BGL BNPP	BNPP Lux
Continued operations			
Interest and similar income	514.9	410.9	104.0
Interest expense and similar charges	-260.5	-177.8	-82.7
Dividends and other investment income	21.0	10.2	10.8
Share of the profit or loss of associates accounted for under the equity method	5.9	5.9	-
Fee and commission income	136.8	118.6	18.2
Fee and commission expense	-38.2	-26.5	-11.7
Net realised capital gains (losses) on investments	15.1	15.1	-
Other net realised and unrealised gains (losses)	64.6	43.7	20.9
Other income	36.9	28.4	8.5
Net operating income before change in impairments	496.5	428.5	68.0
 Change in impairments	 -58.9	 -58.9	 -
Total net operating income	437.6	369.6	68.0
 Staff expenses	 -152.5	 -129.5	 -23.0
Other administrative expenses	-76.8	-64.9	-11.9
Amortisation of tangible and intangible assets	-13.6	-11.9	-1.7
Total operating expenses	-242.9	-206.3	-36.6
 Profit before tax	 194.7	 163.3	 31.4
 Tax expense	 -53.0	 -51.2	 -1.8
Net profit for the period of continued operations	141.7	112.1	29.6
 Net (loss)/ profit for the period- of discontinued operations	 -31.2	 -31.2	 -
 Net profit for the period	 110.5	 80.9	 29.6
 Net profit attributable to:			
Non-controlling interest	- 0.1	- 0.1	-
- of which: net profit of continued operations	- 0.1	- 0.1	-
Owners of the parent	110.6	81.0	29.6
- of which : net profit of continued operations	141.8	112.2	29.6
- of which : net (loss)/ profit of discontinued operations	-31.2	-31.2	-

22 Related parties

Related parties to the Bank include affiliated companies, pension funds, members of the Bank's Board of Directors and key management, close family members of any individual referred to above, entities controlled or significantly influenced by any individual referred to above and other related entities.

The Bank, as part of its business operations, frequently enters into transactions with related parties. Such transactions mainly relate to loans and deposits and are entered into on the basis of the same commercial and market terms that apply to non-related parties. The table below provides an overview of the transactions entered into with these parties.

As at 30 June 2010, credits granted to members of the Board of Directors amount to EUR 2.0 million (at 30 June 2009: EUR 1.7 million) and the credits granted to key management amount to EUR 7.9 million (at 30 June 2009: EUR 6.7 million).

The table below provides an overview of the transactions entered into with the following related parties for the period ended 30 June 2010:

- associates;
- other related parties such as BNP Paribas group companies, which are not owned by the Bank.

22.1 Statement of financial position

	30 June 2010	31 December 2009
Assets		
Cash and cash equivalents	269.5	1,364.9
Financial assets held for trading	889.7	108.7
Hedging derivatives	0.1	0.5
Loans and receivables to credit institutions	10,950.1	2,786.2
Loans and receivables to customers	227.5	27.6
Available-for-sale financial assets	448.5	-
Other assets	74.4	23.0
Prepayments and accrued income	84.4	100.8
Non-current asset held for sale and discontinued operations	1,804.4	2,928.6
Liabilities		
Financial liabilities held for trading	343.0	276.2
Hedging derivatives	49.2	45.9
Deposits from credit institutions	5,820.2	9,241.5
Deposits from customers	1,680.2	279.6
Debt certificates	319.4	347.2
Subordinated liabilities	167.5	-
Other liabilities	10.5	47.7
Accruals and deferred income	58.1	88.2
Liabilities linked to non-current assets held for sale and discontinued operations	5,844.5	-

22 Related parties (continued)

22.2 Income Statement

	30 June 2010
Interest and similar income	165.7
Interest expense and similar charges	-86.1
Dividends and other investment income	2.3
Fee and commission income	38.5
Fee and commission expense	-13.9
Other net realised and unrealised gains (losses)	13.6
Other income	10.0
Other administrative expenses	-8.1
Discontinued operations	-158.0

With respect to related parties, the Bank granted the following guarantees and irrevocable and conditional commitments:

- EUR 32.2 million with respect to guarantees given to related parties (31 December 2009: EUR 35.3 million);
- EUR 1,339.8 million with respect to guarantees received from related parties (31 December 2009: EUR 1,350.6 million).

23 Information on Segments

The Bank is an international financial services provider. The primary format for the segment reporting is based on business segments.

The Bank is currently reporting to the management board with the segmentation applied in the previous years.

- Retail Banking;
- Asset Management;
- Private Banking;
- Merchant Banking
- BNP Paribas Luxembourg sub-group

BNP Paribas Luxembourg SA sub-group, is not included in BGL BNP Paribas SA's segments reported to the management of the Bank and is therefore presented separately.

As the organisation is currently under review and following the merger of BGL BNP Paribas SA and BNP Paribas Luxembourg SA before the end of the year, this segment information will be updated in the Annual Financial Statements in order to reflect the new business operating model of the Bank.

The Bank's segment reporting reflects the full economic contribution of the businesses of the Bank. The aim is to allocate directly to the businesses all balance sheet and income statement items for which the businesses have full management responsibility.

Segment information is prepared based on the same accounting policies as those used in preparing and presenting the Bank's consolidated interim financial statements and by applying appropriate allocation rules.

Transactions between the different businesses are executed under standard commercial terms and conditions.

23 Information on Segments (continued)

Retail Banking

Retail Banking Network offers financial services to retail customers including individuals, self-employed people, members of the independent professions and small businesses, through the international Retail Banking business. The Bank operates through a variety of distributions channels in the "Grande Région" to deliver service and advice on every aspect of individual banking, saving, investment, credit and insurance.

Asset Management

The Bank carries out asset management activities, mainly through Fortis Investments, acting as a multi-centre, multiproduct asset management firm. Based in Europe, Fortis Investments has a global presence with both sales offices and some key investment centres in Europe, the US and Asia. Activities range from institutional portfolio management to the development and management of mutual funds. The participation held in Fortis Investment Management was sold on 1st April 2010 to BNP Investment Partners. On 30 June 2010, the Bank has a participation of 5.33% in BNP Investment Partners which is out of the scope of consolidation of the Bank.

Private Banking

Private Banking offers integrated, worldwide asset and liability management solutions to high net worth individuals, their businesses and their advisors.

Merchant Banking

Merchant Banking combines market leadership in the Benelux region with a strong position on a European or worldwide scale in specific skills with growth perspectives. As part of its pursuit of optimum and economically rewarding relationships with its customers, the business provides a full range of services customised to meet customers' needs, based on an in-depth analysis of their expectations.

Merchant Banking comprises Corporate & Public Banking, Commercial & Investment Banking, Global Markets and Specialised Finance including leasing activities

Other Banking

Balance sheet items, revenues and costs for support functions, operations and Asset and Liability Management (ALM) are reported in this section. The figures reported are those after allocation of the support functions to the business segments.

BNP Paribas Luxembourg sub-group

BNP Paribas Luxembourg is active in Luxembourg in the business lines of the Bank for the Private individuals and the Professionals. BNP Paribas Luxembourg is present in 2 core businesses:

Investment Solutions

The main activities are Wealth Management who offers a complete range of personalised services and products for High Net Worth Individuals and Family Shareholders (resident or non-resident in Luxembourg) and Personal Investors who offers dedicated top-of-the-range products in open architecture to an affluent international clientele (resident or non-resident of Luxembourg) searching flexibility in the management of their wealth (multi-channel approach via the Internet, phone or face-to-face).

Corporate Investment Banking

The main activities of Corporate Investment Banking are the activities of advisory and capital market (Fixed income, equities & derivative, Corporate Finance, Structure Finance, Cash Management) and Asset & Liabilities Management.

23 Information on Segments (continued)

Allocation rules

Segment reporting within the Banking segments makes use of balance sheet allocation rules, balance sheet squaring mechanisms, a fund transfer pricing system, rebilling of support and operation expenses and overhead allocation.

The balance sheet allocation and squaring methodology aim at reporting information on segments to reflect the Bank's business model.

Under the Bank's business model, segments do not act as their own treasurer in bearing the interest rate risk, the foreign exchange risk and the liquidity risk, by funding their own assets with their own liabilities, or by having direct access to the financial markets. The interest, currency and liquidity risks are removed by transferring them from the segments to the internal central bankers. This is reflected in the fund transfer pricing system. A key role in this system is attributed to Asset and Liability Management (ALM). The results of ALM are allocated to the segments based on the regulatory capital used and the interest margin generated within the segments.

Support and operations departments provide services to the segments. These services include human resources and information technology. The costs and revenues of these departments are charged to the segments via a rebilling system on the basis of service level agreements (SLAs) reflecting the economic consumption of the products and services provided. SLAs ensure that the costs and revenues are charged based on actual use and at standard rates. Differences between the actual costs and the rebilled costs based on standard tariffs are passed through to the business segments in a final allocation.

23 Information on Segments (continued)

23.1 Consolidated Statement of Financial Position by segment

	30 June 2010							
	Retail Banking	Asset Management	Private Banking	Merchant Banking	Other Banking	BNPP Lux	Eliminations	Total Banking
Assets								
Cash and cash equivalents	-	-	-	5.6	382.9	188.5	-57.5	519.5
Held for trading financial assets	-	-	23.6	86.5	243.3	1,297.3	-1.1	1,649.6
Hedging derivatives	-	-	-	0.1	-	-	-	0.1
Loans and receivables to credit institutions	-	-	-	3,143.8	1,745.9	8,145.2	-1,343.8	11,691.1
Loans and receivables to customers	5,150.2	-	647.5	7,991.7	676.0	2,581.4	-4,393.1	12,653.7
Available-for-sale financial assets	-	-	11.2	2,061.5	3,742.7	2,639.1	-	8,454.5
Held to maturity financial assets	-	-	-	-	1,735.5	-	-	1,735.5
Financial assets designated at fair value through profit or loss	-	-	-	8.4	-	430.0	-	438.4
Investments in associates accounted for under the equity method	1.1	-	-	5.9	-19.0	-	74.6	62.6
Investment property	-	-	-	-	16.9	-	-	16.9
Tangible assets	-	-	-	0.1	254.4	27.9	-	282.4
Goodwill and other intangible assets	-	-	-	-	11.5	3.0	-	14.5
Current and deferred tax assets	-	-	-	1.6	11.7	18.7	-	32.0
Other assets	-0.1	-	0.4	84.3	203.5	176.9	-7.9	457.1
Prepayments and accrued income	-	-	0.2	1.0	266.3	53.8	-3.2	318.1
Non-current assets held for sale and discontinued operations	-	-	-	12,568.4	1,604.7	-	-	14,173.1
Internal investments	3,399.8	-	2,637.7	-	4,383.7	-	-10,421.2	-
Total assets	8,551.0	-	3,320.6	25,958.9	15,260.0	15,561.8	-16,153.2	52,499.1
Liabilities								
Held for trading financial liabilities	-	-	23.6	44.7	401.3	284.8	-0.1	754.3
Hedging derivatives	-	-	-	43.2	8.3	-	-	51.5
Deposits from credit institutions	-	-	-	3,803.6	2,531.3	3,773.4	-1,905.6	8,202.7
Deposits from customers	8,140.9	-	3,220.4	2,533.7	-12.6	8,695.7	-492.1	22,086.0
Debt certificates	389.3	-	33.2	-	5,476.1	134.8	-	6,033.4
Subordinated liabilities	-	-	-	-	430.5	167.5	-	598.0
Current and deferred tax liabilities	-	-	0.1	-43.1	250.9	62.8	-	270.7
Provisions	16.9	-	42.2	29.2	-19.6	3.7	-	72.4
Other liabilities	2.9	-	1.1	3,436.1	470.6	17.8	-3,432.5	496.0
Accruals and deferred income	1.0	-	-	6.1	161.9	27.6	-0.6	196.0
Liabilities linked to non-current assets held for sale and discontinued operations	-	-	-	8,176.7	-2.4	-	-	8,174.3
Internal finance	-	-	-	7,928.7	-	-	-7,928.7	-
Total liabilities	8,551.0	-	3,320.6	25,958.9	9,696.3	13,168.1	-13,759.6	46,935.3
Equity attributable to owners	-	-	-	-	5,374.5	-522.3	485.5	5,337.7
Other reserve	-	-	-	-	116.8	7.2	-	124.0
Result of the period	-	-	-	-	81.0	29.6	-	110.6
Purchase price BNPP Lux	-	-	-	-	-	2,879.1	-2,879.1	-
Non controlling interest	-	-	-	-	-8.6	0.1	-	-8.5
Total equity	-	-	-	-	5,563.7	2,393.7	-2,393.6	5,563.8
Total liabilities and equity	8,551.0	-	3,320.6	25,958.9	15,260.0	15,561.8	-16,153.2	52,499.1

23 Information on Segments (continued)

23.1 Consolidated Statement of Financial Position by segment (continued)

	31 December 2009						
	Retail Banking	Asset Management	Private Banking	Merchant Banking	Other Banking	Eliminations	Total Banking
Assets							
Cash and cash equivalents	-	-	1.4	1,350.2	56.0	-60.0	1,347.6
Held for trading financial assets	-	-	10.8	356.0	0.3	-0.7	366.4
Hedging derivatives	-	-	-	0.5	-	-	0.5
Loans and receivables to credit institutions	-	-	-	5,037.4	-	-1,265.4	3,772.0
Loans and receivables to customers	5,038.2	-	648.1	20,184.2	665.3	-4,721.7	21,814.1
Available-for-sale financial assets	-	-	11.1	2,657.2	3,166.5	-	5,834.8
Held to maturity financial assets	-	-	-	-	1,701.4	-	1,701.4
Financial assets designated at fair value through profit or loss	-	-	-	10.1	-	-	10.1
Investments in associates accounted for under the equity method	6.0	-	-	4.6	-191.9	244.3	63.0
Investment property	-	-	-	618.8	16.8	-	635.6
Tangible assets	-	-	-	60.7	256.3	-	317.0
Goodwill and other intangible assets	-	-	-	0.9	147.9	-	148.8
Current and deferred tax assets	-	-	-	96.4	-	-	96.4
Other assets	-	-	0.4	680.6	13.5	-0.7	693.8
Prepayments and accrued income	-	-	-	394.7	3.2	-2.8	395.1
Non-current assets held for sale and discontinued operations	-	243.7	2,647.5	3,150.7	-	-	6,041.9
Internal investments	3,371.2	-	2,274.4	-	810.7	-6,456.3	-
Total assets	8,415.4	243.7	5,593.7	34,603.0	6,646.0	-12,263.3	43,238.5
Liabilities							
Held for trading financial liabilities	-	-	10.8	509.9	-	-0.2	520.5
Hedging derivatives	-	-	-	44.6	2.4	-	47.0
Deposits from credit institutions	-	-	-	11,471.5	-	-2,192.6	9,278.9
Deposits from customers	7,971.2	-	3,221.5	2,590.8	-32.9	-87.4	13,663.2
Debt certificates	429.3	-	31.5	5,737.3	152.3	-	6,350.4
Subordinated liabilities	-	-	-	605.5	-0.7	-	604.8
Current and deferred tax liabilities	-	-	-	30.9	190.3	-	221.2
Provisions	12.1	-	20.7	25.6	22.0	-	80.4
Other liabilities	1.9	-	-31.2	4,309.2	141.1	-3,795.1	625.9
Accruals and deferred income	0.9	-	-	209.4	0.8	-0.3	210.8
Liabilities classified as held for sale	-	-	2,340.4	3,124.3	-	-	5,464.7
Internal finance	-	243.7	-	5,944.0	-	-6,187.7	-
Total liabilities	8,415.4	243.7	5,593.7	34,603.0	475.3	-12,263.3	37,067.8
Equity attributable to owners of the parent	-	-	-	-	-6,181.7	-	6,181.7
Non controlling interest	-	-	-	-	-11.0	-	-11.0
Total equity	-	-	-	-	6,170.7	-	6,170.7
Total liabilities and equity	8,415.4	243.7	5,593.7	34,603.0	6,646.0	-12,263.3	43,238.5

23 Information on Segments (continued)

23.2 Consolidated Income Statement

First Half-Year 2010

	Retail Banking	Asset Management	Private Banking	Merchant Banking	Other Banking	BNPP Lux	Eliminations	Total Banking
Interest and similar income (1)	142.1	-	28.1	241.5	334.9	104.0	-335.7	514.9
Interest expense and similar charges	-72.0	-	-13.7	-209.0	-218.8	-82.7	335.7	-260.5
Dividends and other investment income	0.4	-	0.2	2.3	7.4	10.8	-0.1	21.0
Share of the profit or loss of associates accounted for under the equity method	0.1	-	-	2.4	3.4	-	-	5.9
Fee and commission income	37.0	-	44.8	33.8	3.0	18.2	-	136.8
Fee and commission expense	-2.1	-	-8.6	-11.7	-4.1	-11.7	-	-38.2
Net realised capital gains on investments	1.1	-	-	8.8	5.2	-	-	15.1
Other net realised and unrealised gains (losses)	1.3	-	-	5.5	36.9	20.9	-	64.6
Other income	11.0	-	3.9	8.2	5.3	8.5	-	36.9
Net operating income before change in impairments (including ALM allocation)	118.9	-	54.7	81.8	173.2	68.0	-0.1	496.5
Change in impairments	-13.4	-	-0.4	-22.2	-22.9	-	-	-58.9
Total net operating income (including ALM allocation)	105.5	-	54.3	59.6	150.3	68.0	-0.1	437.6
Staff expenses	-24.1	-	-12.5	-15.4	-77.0	-23.0	-0.4	-152.5
Other administrative expenses	-4.4	-	-3.1	-4.8	-52.8	-11.9	0.1	-76.8
Amortisation of tangible and intangible assets	-	-	-	-	-11.9	-1.7	-	-13.6
Allocated expenses	-52.8	-	-18.7	-18.8	89.9	-	0.4	-
Total operating expenses (including ALM allocation)	-81.3	-	-34.3	-39.0	-51.8	-36.6	0.1	-242.9
Profit /loss before tax of continued operations (including ALM allocation)	24.2	-	20.0	20.6	98.5	31.4	-	194.7
Tax expense	-7.8	-	-5.4	-4.7	-33.3	-1.8	-	-53.0
Net profit/loss for the period of continued operations (including ALM allocation)	16.4	-	14.6	15.9	65.2	29.6	-	141.7
Net profit for the period of discontinued operations	-	36.1	33.3	-69.0	-31.6	-	-	-31.2
Net profit /loss for the period	16.4	36.1	47.9	-53.1	33.6	29.6	-	110.5
Net profit/loss attributable to:								
Non -controlling interest	-	-	-	-	-0.1	-	-	-0.1
- of which: net loss of continued operations	-	-	-	-	-0.1	-	-	-0.1
Equity holders of the parent	16.4	36.1	47.9	-53.1	33.7	29.6	-	110.6
- of which : net profit/loss of continued operations	16.4	-	14.6	15.9	65.3	29.6	-	141.8
- of which : net profit/loss of discontinued operations	-	36.1	33.3	-69.0	-31.6	-	-	-31.2

(1) Interest and similar income for Merchant Banking is including the interest income from the financing of the leasing entities by the Bank for EUR 65.7 million.

23 Information on Segments (continued)

23.2 Consolidated Income Statement (continued)

	First Half-Year 2009						
	Retail Banking	Asset Management	Private Banking	Merchant Banking	Other Banking	Eliminations	Total Banking
Interest and similar income (2)	201.2	-	49.4	767.3	219.8	-512.5	725.2
Interest expense and similar charges	-127.8	-	-31.9	-679.7	-93.1	512.5	-420.0
Dividends and other investment income	0.6	-	0.1	1.1	9.3	-0.2	10.9
Share of the profit or loss of associates accounted for under the equity method	-5.8	2.3	-	4.5	2.4	-	3.4
Fee and commission income	35.9	-	39.9	92.3	3.6	-5.7	166.0
Fee and commission expense	-1.8	-	-7.3	-37.6	-3.6	5.7	-44.6
Net realised capital gains on investments	-	-	-	-0.2	-8.8	-	-9.0
Other net realised and unrealised gains (losses)	0.8	-	0.4	17.0	6.4	-	24.6
Other income	0.2	-	0.8	2.5	4.9	-	8.4
Net operating income before change in impairments	103.3	2.3	51.4	167.2	140.9	-0.2	464.9
Change in impairments	-7.3	-	-13.9	43.0	0.2	-	22.0
Total net operating Income	96.0	2.3	37.5	210.2	141.1	-0.2	486.9
Staff expenses	-22.8	-	-12.2	-24.6	-44.4	-	-104.0
Other administrative expenses	-4.0	-	-4.7	-9.8	-38.5	0.2	-56.8
Amortisation of tangible and intangible assets	-	-	-0.1	-0.4	-12.4	-	-12.9
Allocated expenses	-48.4	-	-18.7	-22.9	90.0	-	-
Total operating expenses	-75.2	-	-35.7	-57.7	-5.3	0.2	-173.7
Profit before tax	20.8	2.3	1.8	152.5	135.8	-	313.2
Tax expense	-15.9	-	-3.7	-66.8	1.6	-	-84.8
Net profit/loss for the period of continued operations	4.9	2.3	-1.9	85.7	137.4	-	228.4
Net profit for the period of discontinued operations	-	-	9.0	-46.6	-	-	-37.6
Net profit for the period	4.9	2.3	7.1	39.1	137.4	-	190.8
Net profit attributable to:							
Non -controlling Interest	-	-	-	-	-0.2	-	-0.2
- of which: net profit of continued operations	-	-	-	-	-0.2	-	-0.2
Equity holders of the parent	4.9	2.3	7.1	39.1	137.6	-	191.0
- of which : net profit of continued operations	4.9	2.3	-1.9	85.7	137.6	-	228.6
- of which : net profit of discontinued operations	-	-	9.0	-46.6	-	-	-37.6

(2) Interest and similar income for Merchant Banking is including the interest income from the financing of the leasing entities by the Bank for EUR 96.7 million.

24 Assets under Management

Assets under management include investments for own account and funds under management. Funds under management include investments that are managed on behalf of clients, either private or institutional, and on which the Bank earns a management or advice fee. Discretionary capital (capital actively managed by the Bank) as well as advisory capital is included in funds under management.

The lines "Eliminations" in the tables below relate to the funds under management of clients invested in funds managed by the Bank that otherwise would be counted double.

The following table provides a breakdown of assets under management by investment type and origin.

	30 June 2010	31 December 2009
Investments for own account:		
- Debt securities	10,043.4	7,259.2
- Equity securities	585.0	287.1
- Real estate	16.9	635.6
- Other	62.6	62.9
Total investments for own account	10,707.9	8,244.8
 Funds under management:		
- Debt securities	8,849.9	10,372.5
- Equity securities	5,306.2	8,308.4
- Eliminations	-1,628.1	-1,693.3
Total funds under management	12,528.0	16,987.6
 Total assets under management	23,235.9	25,232.4

The increase in investments for own account is mainly due to the entry in scope of BNP Paribas Luxembourg S.A for EUR 3.1 billion partially compensated by the consequence of the deliberate strategy to reduce risks on investments for own account.

The decrease in funds under management is mainly due for EUR 6.2 billion to the sale of Fortis Banque Suisse SA, partially offset by the entry in scope of BNP Paribas Luxembourg SA for EUR 1.4 billion.

25 Contingent liabilities

Like any other financial institution, the Bank is involved as defendant in various claims, disputes and legal proceedings, arising in the ordinary course of the banking business.

The Bank makes provisions for such matters when, in the opinion of management and upon consultation with its legal advisors, it is probable that a payment will have to be made by the Bank, and when the amount can be reasonably estimated.

In respect of further claims and legal proceedings against the Bank of which management is aware (and which, according to the principles outlined above, have not been provided for), it is the opinion of management, after due consideration of appropriate professional advice, that such claims are without merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss in the Bank's consolidated interim financial statements.

26 Post-Balance Sheet Events

Since the closing of the accounts as of 30 June 2010, despite the financial markets remaining quite unstable, the key revenue streams for all business lines show a positive outlook for the second semester and the Bank continues its efforts to strictly control costs.

On July 1st 2010, the Bank has subscribed to a capital increase in Fortis Lease Group SA for an amount of EUR 398 million. At the same date, the leasing activities of BNPP Group have been contributed in kind in Fortis Lease Group SA. The shareholding of BGL BNP Paribas has therefore been reduced to 33.33% + 1 share. As a consequence, the leasing entities of BNPP Group will be consolidated via equity method as of July 1st 2010 in BGL BNP Paribas consolidated accounts. This has not led to any additional impact in the consolidated result.