

# BGL

---

Société Anonyme

**Consolidated Interim Financial Statements  
for the First Half-Year of 2009**

# Contents

<b>Statement of the Board of Directors</b> .....	<b>4</b>
<b>Management Report</b> .....	<b>5</b>
<b>Report of the réviseur d'entreprises</b> .....	<b>7</b>
<b>Consolidated Statement of Financial Position</b> .....	<b>9</b>
<b>Consolidated Income Statement</b> .....	<b>10</b>
<b>Statement of Comprehensive Income</b> .....	<b>11</b>
<b>Statement of Changes in Consolidated Equity</b> .....	<b>12</b>
<b>Consolidated Statement of Cash Flows</b> .....	<b>13</b>
<b>1 General Information</b> .....	<b>15</b>
<b>2 Summary Accounting Policies and Principles of Consolidation</b> .....	<b>15</b>
2.1 General information .....	15
2.2 Changes in accounting policies .....	16
2.3 Accounting estimates .....	17
2.4 Operating segment .....	17
2.5 Changes in classifications .....	17
2.6 Consolidation principles.....	18
<b>3 Consolidation Scope</b> .....	<b>19</b>
<b>4 Dividend</b> .....	<b>22</b>
<b>5 Cash and Cash Equivalents</b> .....	<b>23</b>
<b>6 Held for Trading Financial Assets and Liabilities</b> .....	<b>23</b>
<b>7 Loans and Receivables to Credit Institutions</b> .....	<b>24</b>
<b>8 Loans and Receivables to Customers</b> .....	<b>24</b>
<b>9 Available-for-sale Financial Assets</b> .....	<b>25</b>
<b>10 Held to Maturity Financial Assets</b> .....	<b>28</b>
<b>11 Investments in Associates Accounted for under the Equity Method</b> .....	<b>28</b>
<b>12 Investment Property</b> .....	<b>29</b>
<b>13 Deposits from Credit Institutions</b> .....	<b>30</b>
<b>14 Deposits from Customers</b> .....	<b>30</b>
<b>15 Debt Certificates</b> .....	<b>30</b>
<b>16 Interest</b> .....	<b>31</b>
<b>17 Fee and Commissions</b> .....	<b>32</b>
<b>18 Net Realised Capital Gains on Investments</b> .....	<b>32</b>
<b>19 Change in Impairments</b> .....	<b>33</b>
<b>20 Information on Segments</b> .....	<b>33</b>
20.1 Consolidated Statement of Financial Position by segment .....	36
20.2 Consolidated Income Statement.....	38

<b>21</b>	<b>Assets under Management .....</b>	<b>40</b>
<b>22</b>	<b>Contingent liabilities .....</b>	<b>40</b>
<b>23</b>	<b>Post-Balance Sheet Events.....</b>	<b>40</b>

All amounts reported in these consolidated interim financial statements are denominated in millions 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 Société Anonyme is responsible for the preparation and fair presentation of the BGL consolidated interim financial statements as at 30 June 2009 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 28 August 2009 and authorised their issuance.

The Board of Directors of BGL 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 and that the information contained herein has no omissions likely to modify significantly the scope of any statements made.

Luxembourg, 28 August 2009

## **Board of Directors:**

Chairman: REINESCH Gaston

Vice-Chairman: PAPIASSE Alain

Directors: HRH Prince Guillaume of Luxembourg  
ASSA Marc  
DEBIESSE François  
D'ESTAIS Jacques  
DI LETIZIA Gabriel  
FOHL Camille  
GALES Fernand  
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  
THEVES Tom  
THILL Carlo  
VILLEROY DE GALHAU François  
WURTH Michel

# Management Report

The Board of Directors of BGL Société Anonyme (hereafter "BGL" or "the Bank") met on 13 May 2009, and in keeping with the decision of shareholders at the Extraordinary General Meeting on 30 April 2009 increased the bank's capital by converting into BGL shares the remaining EUR 100 million of the subordinated loan amounting to EUR 2.5 billion granted by the Luxembourg State on 30 September 2008, of which EUR 2.4 billion had already been converted into shares in December 2008.

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

The Luxembourg State remains a significant shareholder of BGL with a 34% interest.

## Consolidated Statement of Financial Position

For the period ended 30 June 2009, the Bank used Fortis accounting principles and not yet BNP-Paribas accounting principles. Therefore the convergence of the Bank accounting policies to the accounting policies of BNP Paribas Group will be analysed in the next coming months and implemented accordingly. This convergence process might have non-operational negative impacts on future consolidated financial statements.

At 30 June 2009, the *total of the consolidated statement of financial position* amounted to EUR 52.9 billion, remaining stable compared to 31 December 2008 (EUR 52.5 billion).

On the assets side, the Bank has gone on with the reduction of its investment portfolio leading to a decrease of EUR 1.7 billion or 21.4% in *Available-for-sale assets*. This is mainly due to the sale of part of the structured credit bond portfolio to a dedicated special purpose vehicle for a nominal amount of EUR 820.5 million and due to the reclassification of part of the remaining structured credit portfolio to Loans & Receivables (according to IAS 39 amendment 2008/10) for a nominal amount of EUR 831.3 million.

The *loans and receivables to customers* remained stable at EUR 25.9 billion.

On the liabilities side, *Deposits from customers* increased by EUR 1.5 billion or 7.8 %. This increase is particularly located in corporate and commercial banking.

The *total equity* is positively impacted by the capital increase by the Luxembourg State for a total of EUR 100 million and by a reduction of the unrealised losses on the available-for-sale portfolio for EUR 110.7 million mainly resulting from disposals of structured credit bonds.

As at 30 June 2009, the consolidated risk asset ratio, with application of the Basel 1 floor, amounts to 24.1%, compared to 22.2 % at 31 December 2008.

## Income Statement

*Net interest income* was up by EUR 85.5 millions or 26.30% compared to previous year. This high interest result mainly relates to the decrease of the funding cost due to both the evolution of the short-term rates and the capital increase by the Luxembourg State.

This positive result was off-set by the decrease of the Bank's share in the *results of associates accounted for under the equity method* which declined by EUR 127.9 million. This relates mainly to an exceptional gain in 2008 of EUR 110.5 million representing the remuneration of the dilution of the Bank's share in the equity associate Fortis Investment Management SA. Moreover, the results of the main equity associates have decreased compared to the first half-year 2008.

*Fees and commissions* decreased by 14.7% to EUR 147.1 million, suffering from unfavourable financial market conditions and lower assets under management.

*Net realised capital gains on investments* showed a loss of EUR 9 million compared to a gain of EUR 69.7 million in 2008. This loss is mainly linked to a partial sale of the equity Available-for-sale portfolio, compensated to a certain extent by the gain realised on the disposal of the Bank's subsidiary Internaxx. The first half-year 2008 was positively impacted by an exceptional gain realised on the disposal of the Bank's participation in SES for EUR 60.2 million.

*Net operating income* for the first half-year 2009 hence came to EUR 643.7 million, showing a decrease of EUR 142.6 million or 18.1% compared to the first half-year 2008. Excluding the above mentioned exceptional gains in 2008, the net operating income shows an increase of EUR 31.8 million or 5.2%.

*Changes in impairment* rose by EUR 16.9 million to EUR 84.1 million. The impairments are mainly due to a further deterioration of credit market conditions since 2008, leading to various downgrades of the loan portfolios, mostly impacting the international leasing activities for EUR 110 million. These impacts were partially off-set by exceptional releases of impairments following the sale of part of the structured credit portfolio (EUR 69.6 million).

*Total operating expenses* decreased by EUR 13.8 million or 4.9%.

*Staff expenses* decreased by EUR 10 million or 6.2%, mainly due to slowdown in the recruitment processes (-112.3 FTE).

In the context of a tight cost control, *other administrative expenses and amortisation* slightly decreased by EUR 3.8 million or 3.1% and amounted to EUR 118.2 million, allowing to reach a favourable cost income ratio of 41.7%.

*Profit before tax* decreased by EUR 145.7 million compared to the profit before tax for the period ended June 30, 2008 and amounts to EUR 291.1 million. *Tax expense* is however higher by EUR 52.7 million than for the first half-year 2008 due to lower tax exempt revenues in 2009.

The *Net profit attributable to shareholders* reached EUR 191.0 million, which represents a decrease of EUR 197.4 million or 50.7% compared to the same period of 2008. Excluding the exceptional results in 2008 and 2009, the net profit would show a decrease of EUR 77.8 million or 35.6%.

### **Looking forward**

Since the closing of the accounts as of 30 June 2009, despite the financial markets remaining somewhat unstable, the key recurrent revenue streams for all business lines show a positive outlook for the second half-year and the Bank continues its efforts to strictly control costs. As the overall financial and economic turmoil persists, the Bank cannot exclude future exceptional losses. Hence, the Bank is very attentive to the management of credit risks and liquidity, in line with its cautious management philosophy. Different risk reports are in place at BGL to ensure an appropriate monitoring and control of all the known risks taken by the Bank. Risk reports are presented to and discussed in the dedicated risk committees as well as the BGL Risk Committee, the BGL Management Board, and the BGL Board of Directors. Appropriate risk mitigating actions are taken if required. On the basis of an initiative of the Board of Directors, the Bank is currently reassessing the control environment at the level of its subsidiaries in view of improving the related internal control framework. The Bank's risk-management policies are described in detail in note 6 to the consolidated financial statements at 31 December 2008.

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.



**KPMG Audit**  
9, Allée Scheffer  
L-2520 Luxembourg

Téléphone +352 22 51 51 1  
Fax +352 22 51 71  
audit@kpmg.lu  
www.kpmg.lu

To the Board of Directors  
BGL Société Anonyme  
50, avenue J. F. Kennedy  
L-2951 Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES**

### *Introduction*

We have reviewed the accompanying consolidated statement of financial position of BGL Société Anonyme ("the Bank") as of 30 June 2009 and the related consolidated statement of income, statement of changes in comprehensive income, statement of changes in consolidated equity and consolidated cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management of the Bank is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information 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." 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 interim financial information does not give a true and fair view of the financial position of the Bank as at 30 June 2009, and of its financial performance and its cash flows for the six-month period then ended in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

### *Emphasis of matter*

We draw attention to Note 2.2 to the interim financial information which describes that the accounting policies applied during the six-month period ended June 30, 2009 are consistent with those applied in the Bank's consolidated financial statements for the year ended 31 December 2008, except of these exceptions described in the note.



The convergence of the Bank's accounting policies with the accounting policies of BNP Paribas will be analysed by the Management and, consequently, the accounting policies of BNP Paribas have not been used for the preparation and presentation of the interim financial information as of June 30, 2009. The potential impact of such change has not been assessed by the Management yet.

Luxembourg, 28 August 2009

KPMG Audit S.à r.l.  
Réviseurs d'Entreprises

John Li

Stanislas Chambourdon



# Consolidated Statement of Financial Position

	Notes	30 June 2009	31 December 2008
<b>Assets</b>			
Cash and cash equivalents	5	9,897.5	8,418.6
Held for trading financial assets	6	433.5	709.3
Hedging derivatives		1.7	4.6
Loans and receivables to credit institutions	7	4,156.5	4,413.6
Loans and receivables to customers	8	25,910.1	25,652.8
Available-for-sale financial assets	9	6,415.2	8,161.7
Held to maturity financial assets	10	1,729.5	1,788.8
Financial assets designated at fair value through profit or loss		11.5	14.8
Investments in associates accounted for under the equity method	11	459.6	452.9
Investment property	12	600.6	617.0
Tangible assets		354.3	350.3
Goodwill and other intangible assets		215.3	221.7
Current and deferred tax assets		61.2	130.1
Other assets		2,180.5	994.1
Prepayments and accrued income		421.8	599.6
<b>Total assets</b>		<b>52,848.8</b>	<b>52,529.9</b>
<b>Liabilities</b>			
Held for trading financial liabilities	6	757.9	1,200.9
Hedging derivatives		55.1	54.9
Deposits from credit institutions	13	17,794.9	18,893.8
Deposits from customers	14	20,534.2	19,049.7
Debt certificates	15	4,622.0	5,134.9
Subordinated liabilities		703.3	802.6
Current and deferred tax liabilities		173.0	154.9
Provisions		47.8	136.4
Other liabilities		1,691.6	891.2
Accruals and deferred income		268.8	401.8
<b>Total liabilities</b>		<b>46,648.6</b>	<b>46,721.1</b>
Shareholders' equity		6,196.9	5,800.4
Minority interest		3.3	8.4
<b>Total equity</b>		<b>6,200.2</b>	<b>5,808.8</b>
<b>Total liabilities and equity</b>		<b>52,848.8</b>	<b>52,529.9</b>

The notes refer to the “notes to the consolidated interim financial statements”.

# Consolidated Income Statement

	Notes	First Half-Year 2009	First Half-Year 2008
Interest and similar income	16	998.5	1,847.0
Interest expense and similar charges	16	-588.4	-1,522.4
Dividends and other investment income		38.6	39.4
Share of the profit or loss of associates accounted for under the equity method		3.4	131.3
Fee and commission income	17	196.6	231.2
Fee and commission expense	17	-49.5	-58.7
Net realised capital gains (losses) on investments	18	-9.0	69.7
Other net realised and unrealised gains (losses)		37.3	25.5
Other income		16.2	23.3
<b>Net operating income before change in impairments</b>		<b>643.7</b>	<b>786.3</b>
Change in impairments	19	-84.1	-67.2
<b>Total net operating income</b>		<b>559.6</b>	<b>719.1</b>
Staff expenses		-150.3	-160.3
Other administrative expenses		-87.1	-90.5
Amortisation of tangible and intangible assets		-31.1	-31.5
<b>Total operating expenses</b>		<b>- 268.5</b>	<b>- 282.3</b>
<b>Profit before tax</b>		<b>291.1</b>	<b>436.8</b>
Tax expense		-100.3	-47.6
<b>Net profit for the period</b>		<b>190.8</b>	<b>389.2</b>
Minority interest		0.2	-0.8
<b>Net profit attributable to shareholders</b>		<b>191.0</b>	<b>388.4</b>

The notes refer to the “notes to the consolidated interim financial statements”.

# Statement of Comprehensive Income

	30 June 2009	30 June 2008
<b>Net profit for the period</b>	<b>190.8</b>	<b>389.2</b>
<b>Other comprehensive income</b>		
<b>Foreign currency translation</b>		
Foreign currency translation movements during the year, before tax	2.0	-2.4
Foreign currency translation reclassified to the income statement from equity	-	-
Income tax relating to foreign currency translation movements	-	-
<b>Subtotal foreign currency translation movements during the year, net of tax</b>	<b>2.0</b>	<b>-2.4</b>
<b>Financial investments available-for-sale</b>		
Net unrealised gains/(losses) on financial investments available-for-sale, before tax	23.9	-271.6
Impairment charges reclassified to the income statement from equity	94.8	-5.9
Realised gains reclassified to the income statement from equity	-7.3	-76.9
Realised losses reclassified to the income statement from equity	34.2	2.7
Income tax relating to net unrealised gains/(losses) on financial instruments available-for-sale	-41.7	80.0
<b>Subtotal net unrealised gains/(losses) on financial instruments available-for-sale , net of tax</b>	<b>103.9</b>	<b>-271.7</b>
<b>Total other comprehensive income</b>	<b>105.9</b>	<b>-274.1</b>
<b>Total comprehensive income</b>	<b>296.7</b>	<b>115.1</b>
Total comprehensive income attributable to minority interest	-5.1	0.8
<b>Total comprehensive income attributable to BGL shareholders</b>	<b>291.6</b>	<b>115.9</b>

## Statement of Changes in Consolidated Equity

	Share capital	Share premium reserve	Other reserves	Foreign currency reserve	Net profit attributable to shareholders	Revaluation reserve	Shareholders' equity	Minority interest	Total equity
<b>Balance at 1 January 2008</b>	<b>350.0</b>	<b>633.5</b>	<b>2,255.7</b>	<b>-31.0</b>	<b>676.8</b>	<b>125.0</b>	<b>4,010.0</b>	<b>10.3</b>	<b>4,020.3</b>
<b>Net profit for the period</b>	-	-	-	-	<b>388.4</b>	-	<b>388.4</b>	<b>0.8</b>	<b>389.2</b>
<b>Total comprehensive income for the year recognized in equity</b>	-	-	-	<b>-2.4</b>	-	<b>-271.7</b>	<b>-274.1</b>	-	<b>-274.1</b>
<i>Foreign currency translation differences for foreign operations</i>	-	-	-	<b>-2.4</b>	-	-	<b>-2.4</b>	-	<b>-2.4</b>
<i>Net unrealised gains/(losses) on financial investments available-for-sale, before tax</i>	-	-	-	-	-	<b>-271.6</b>	<b>-271.6</b>	-	<b>-271.6</b>
<i>Income tax relating to net unrealised gains/(losses) on financial instruments available-for-sale</i>	-	-	-	-	-	<b>80.0</b>	<b>80.0</b>	-	<b>80.0</b>
<i>Realised gains/(losses) reclassified to the income statement from equity</i>	-	-	-	-	-	<b>-74.2</b>	<b>-74.2</b>	-	<b>-74.2</b>
<i>Impairment charges reclassified to the income statement from equity</i>	-	-	-	-	-	<b>-5.9</b>	<b>-5.9</b>	-	<b>-5.9</b>
<b>Transactions with shareholders, recorded directly in equity</b>	-	-	-	-	<b>-52.2</b>	-	<b>-52.2</b>	-	<b>-52.2</b>
<i>Dividends</i>	-	-	-	-	<b>-52.2</b>	-	<b>-52.2</b>	-	<b>-52.2</b>
<b>Transfers</b>	-	-	<b>624.6</b>	-	<b>-624.6</b>	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>350.0</b>	<b>633.5</b>	<b>2,880.3</b>	<b>-33.4</b>	<b>388.4</b>	<b>-146.7</b>	<b>4,072.1</b>	<b>11.1</b>	<b>4,083.2</b>
<b>Balance at 1 January 2009</b>	<b>698.6</b>	<b>2,676.3</b>	<b>2,880.4</b>	<b>-37.8</b>	<b>-107.2</b>	<b>-309.9</b>	<b>5,800.4</b>	<b>8.4</b>	<b>5,808.8</b>
<b>Net profit for the period</b>	-	-	-	-	<b>191.0</b>	-	<b>191.0</b>	<b>-0.2</b>	<b>190.8</b>
<b>Total comprehensive income for the year recognized in equity</b>	-	-	-	<b>2.0</b>	-	<b>103.9</b>	<b>105.9</b>	-	<b>105.9</b>
<i>Foreign currency translation differences for foreign operations</i>	-	-	-	<b>2.0</b>	-	-	<b>2.0</b>	-	<b>2.0</b>
<i>Net unrealised gains/(losses) on financial investments available-for-sale, before tax</i>	-	-	-	-	-	<b>23.9</b>	<b>23.9</b>	-	<b>23.9</b>
<i>Income tax relating to net unrealised gains/(losses) on financial instruments available-for-sale</i>	-	-	-	-	-	<b>-41.7</b>	<b>-41.7</b>	-	<b>-41.7</b>
<i>Realised gains/(losses) reclassified to the income statement from equity</i>	-	-	-	-	-	<b>26.9</b>	<b>26.9</b>	-	<b>26.9</b>
<i>Impairment charges reclassified to the income statement from equity</i>	-	-	-	-	-	<b>94.8</b>	<b>94.8</b>	-	<b>94.8</b>
<b>Transactions with shareholders, recorded directly in equity</b>	<b>14.5</b>	<b>85.5</b>	-	-	-	-	<b>100.0</b>	-	<b>100.0</b>
<i>Issue of share capital</i>	<b>14.5</b>	<b>85.5</b>	-	-	-	-	<b>100.0</b>	-	<b>100.0</b>
<b>Transfers</b>	-	-	<b>-107.2</b>	-	<b>107.2</b>	-	-	-	-
<b>Change in consolidation method (1)</b>	-	-	-	-	-	-	-	<b>-4.9</b>	<b>-4.9</b>
<b>Other</b>	-	-	<b>-0.4</b>	-	-	-	<b>-0.4</b>	-	<b>-0.4</b>
<b>Balance at 30 June 2009</b>	<b>713.1</b>	<b>2,761.8</b>	<b>2,772.8</b>	<b>-35.8</b>	<b>191.0</b>	<b>-206.0</b>	<b>6,196.9</b>	<b>3.3</b>	<b>6,200.2</b>

(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%. Internaxx Bank is now accounted for under the equity method.

# Consolidated Statement of Cash Flows

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
<b>Cash and cash equivalents - at 1 January</b>	<b>8,418.6</b>	<b>15,194.1</b>
Profit before tax	291.1	436.8
<i>Non-cash items included in profit before tax and other adjustments:</i>		
Net realised gains (losses) on sales	12.6	-71.1
Net unrealised gains (losses)	124.8	-432.8
Share of the profit or loss of associates accounted for under equity method, net of dividends received	-2.8	-13.6
Amortisations	100.8	53.4
Provisions and impairments	74.9	47.8
<i>Changes in operating assets and liabilities:</i>		
Held for trading financial assets and liabilities	-173.0	314.1
Loans and receivables to credit institutions	251.2	-583.7
Loans and receivables to customers	386.8	-64.4
Deposits from credit institutions	-1,436.7	-306.1
Deposits from customers	1,559.5	47.9
Net changes in other operational assets and liabilities	-337.5	-733.2
Tax paid	-95.3	-29.0
<b>Net cash (used in) from operating activities</b>	<b>756.4</b>	<b>-1,333.9</b>
Purchases of investments	-830.8	-1,725.4
Sales and redemptions of investments	2,143.0	2,343.2
Purchases of investment property	-2.3	-68.7
Sales of investment property	-	8.9
Purchases of tangible assets	-17.9	-14.8
Sales of tangible assets	0.7	0.4
Disposals of subsidiaries, net of cash sold	18.0	-
Acquisitions of intangible assets	-0.5	-4.4
Sales of intangible assets	0.3	2.8
Impact of any change in the scope of consolidation	-14.4	-
<b>Net cash from investing activities</b>	<b>1,296.1</b>	<b>542.0</b>
Issuance of debt certificates	936.9	3,615.5
Redemption of debt certificates	-1,493.4	-4,435.7
Redemption of subordinated liabilities	-	-117.0
Issuance of other borrowings	-	4.3
Redemption of other borrowings	-0.6	-105.2
Dividends paid to shareholders	-	-52.2
<b>Net cash from financing activities</b>	<b>-557.1</b>	<b>-1,090.3</b>
Impacts of foreign exchange differences on cash and cash equivalents	-16.5	10.2
<b>Cash and cash equivalents - at 30 June</b>	<b>9,897.5</b>	<b>13,322.1</b>

**Supplementary disclosures of operating cash flow information**

Interest received	1,053.2	2,046.7
Dividends received	10.0	12.8
Interest paid	-555.7	-1,504.6

# 1 General Information

BGL Société Anonyme, referred below as “the Bank” or as “BGL”, 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”.

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.

The Board of Directors of BGL met on 13 May 2009, and in keeping with the decision of shareholders at the Extraordinary General Meeting on 30 April 2009 increased the bank’s capital by converting into BGL shares the remaining EUR 100 million of the subordinated loan amounting to EUR 2.5 billion granted by the Luxembourg State on 30 September 2008, of which EUR 2.4 billion had already been converted into shares.

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

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

The Bank is included in the consolidated financial statements of Fortis Bank SA, its principal shareholder (50.00% + 1 voting right). The consolidated financial statements of Fortis Bank 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 consolidated interim financial statements have been approved by the Board of Directors on 28 August 2009.

## 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 2009 and as adopted by the European Union. These comprise for IAS 39, *Financial Instruments: recognition and measurement*, the exclusion relating to the hedge accounting generally called “carve-out”, as adopted by the European Union on 15 November 2005.

The Bank’s consolidated interim financial statements for the first half-year of 2009, including the 2008 comparative figures, have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and include condensed financial statements (consolidated statement of financial positions, income statement, 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 2009 should be read in conjunction with the Bank’s audited consolidated financial statements for the year ended 31 December 2008 (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 2009 are consistent with those applied in the Bank's consolidated financial statements for the year ended 31 December 2008, 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 2008.

The convergence of the Bank accounting policies to the accounting policies of BNP Paribas Group will be analysed in the coming months and implemented accordingly.

As allowed by IAS 31, Interest in Joint Ventures and contrary to the accounting policies of BNP Paribas, the Bank applied the equity method for joint ventures (e.g. Postbank Ireland Ltd and Marie Lease Sàrl) instead of the proportionate method.

On 13 October 2008, the International Accounting Standards Board (hereafter the "IASB") issued amendments to IAS 39, *Financial Instruments: Recognition and Measurement* which were endorsed by the European Union on 15 October 2008. Those amendments to IAS 39 allow the following reclassifications if the entity has the intention and ability to hold the financial assets for the foreseeable future or until maturity and if the financial asset met certain criteria:

- reclassification from the available-for-sale portfolio or the trading portfolio to the loans and receivables portfolio;
- reclassification from the available-for-sale portfolio or the trading portfolio to the held-to-maturity portfolio;
- reclassification from the trading portfolio to the available-for-sale portfolio.

Therefore, the Bank has applied the first possibility reclassifying the major part of the structured credit portfolio from the available-for-sale portfolio to the loans and receivables portfolio.

The following changes to Standards (IFRSs) and Interpretations (IFRICs) came into effect during the first half of 2009:

- IFRS 8, *Operating Segments* (publication date 20 November 2006, EU endorsement date 21 November 2007), introducing the 'management approach', which requires segment disclosures based on the components of the entity that management monitors in making decisions about operating matters. This has currently not led to changes in the segment reporting of the Bank waiting further alignment with BNP Paribas.
- Revised IAS 23, *Borrowing Costs* (publication date 29 March 2007, EU endorsement date 10 December 2008), removing the possibility to recognise borrowing costs directly into the income statement. This has no impact on the Bank as capitalisation of borrowing costs was already the option chosen.
- Revised IAS 1, *Presentation of Financial Statements* (publication date 6 September 2007, EU endorsement date 17 December 2008), introducing some changes in the reporting formats without any further impact on the Bank.
- Revised IFRS 2, *Share-based Payments* (publication date 17 January 2008, EU endorsement date 16 December 2008). This amendment clarifies that vesting conditions are service conditions only and introduces non-vesting conditions. The amendment has no material effect on the Bank.
- IAS 32 / IAS 1, *Puttable Financial Instruments* (publication date 14 February 2008, EU endorsement date 21 January 2009), changing the classification of certain instruments from financial liabilities to equity instruments. None of the transactions of the Bank are affected by this change.
- *Improvements to IFRSs* (publication date 22 May 2008, EU endorsement date 23 January 2009), a collection of minor amendments to a number of IFRSs, without any material effect on the Bank.
- IFRS 1 / IAS 27 *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* (publication date 22 May 2008, EU endorsement date 23 January 2009). These have no impact on the Bank.



- IFRIC 13, *Customer Loyalty Programmes*, addressing accounting by entities granting loyalty award credits to customers, without material effect on the Bank.
- IFRIC 16, *Hedges of a Net Investment in a Foreign Operation* (publication date 3 July 2008, EU endorsement date 4 June 2009), clarifying the entities that can hedge a net investment and where the hedging instrument can be held, without material effect on the Bank.

The IASB published also the following Standards and Interpretations that were not yet endorsed by the EU as at 30 June 2009 and consequently not yet adopted by the Bank:

- IFRS 7, *Improving Disclosures about Financial Instruments* (publication date 5 March 2009)
- IFRIC 9 / IAS 39, *Embedded Derivatives* (publication date 12 March 2009)
- IFRIC 15, *Agreements for the Construction of Real Estate* (publication date 3 July 2008).

### 2.3 Accounting estimates

The preparation of the consolidated interim financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires Management to exercise its judgement in the process of applying these accounting policies. Actual results may differ from these assumptions and estimations. Interim results are not necessarily indicative for full-year results.

Estimates and judgements relate mainly to the following areas:

- estimation of the recoverable amount of impaired assets;
- determination of fair values of non-quoted financial instruments and in case of momentary absence of quotation on an active market;
- determination of the useful life and the residual value of tangible assets;
- actuarial assumptions related to the measurement of pension obligations and assets;
- estimation of present obligations resulting from past events in the recognition of provisions.

### 2.4 Operating segment

The primary format for reporting segment information is based on business segments. The Bank is organised into three business segments:

- Retail Banking;
- Asset Management & Private Banking;
- Merchant Banking.

Activities not related to Banking and elimination differences are reported separately from the Banking activities.

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

### 2.5 Changes in classifications

As per application the amended IAS 39, *Financial instruments: Recognition and Measurement*, the Bank has applied the first possibility by reclassifying the major part of the structured credit portfolio from the available-for-sale portfolio to the loans and receivables portfolio.

For more details see notes 8 Loans and receivables to customers and 9 Available for sale financial assets.

## 2.6 Consolidation principles

### Subsidiaries

The consolidated interim financial statements include the financial statements of BGL Société Anonyme and its subsidiaries. Subsidiaries are those companies, of 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. Minority interest in the net assets and the net results of consolidated subsidiaries are shown separately on the balance sheet and income statement. Minority interest is stated at the fair value of the 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

During the first half-year 2008, the Bank merged the entity PBI Holding AG with Fortis Banque Suisse SA, partially participated in a capital increase at the level of Fortis Investment Management SA, thus reducing the percentage of capital held from 23.78% to 15.33%. Moreover during the first half-year 2008, the Bank established the entities Eris Investissements Sàrl and Park Mountain Lease BV as part of a financing transaction and a securitisation transaction respectively. The subsidiary FAM Personal Fund Advisory SA has been liquidated.

Through its subsidiary Fortis Lease Group SA, the Bank founded the entity Fortis Lease (China) Co Ltd.

In July 2008, the Bank has proceeded to a merger with its subsidiary FBL Finance SA and in September 2008, the entity Fortis Lease Italia SpA merged with Fortis Lease SpA.

Moreover, following a significant disposal of shares in BIP Investment Partners SA, reducing the Bank's share in the capital under 10%, the Bank decided to not account this participation under the equity method anymore as from the month of August 2008.

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%. Internaxx Bank SA is now accounted for under the equity method. The Bank's share of interest in this entity is now presented in only one line "investments in associates and joint ventures" for both the consolidated statement of financial position and consolidated Income statement, whereas until end of 2008 it was integrated line as it was fully consolidated.

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.

Moreover due to a capital increase at the level of Fortis Banque Monaco SAM, where BGL was the sole shareholder to participate, the share in capital held was increased from 99.00% to 99.33%.

The Bank decided not to consolidate anymore its subsidiary Captive Finance Corporation Ltd as the entity stopped its activity and was not material.

Further during the first 6 months 2009, the Bank decided to cease its securitisation transaction and not to consolidate its subsidiary Park Mountain Lease BV anymore.

#### Fully consolidated companies:

<i>Name</i>	<i>Registered Office</i>	<i>Activity</i>	<i>Percentage of capital held</i>	
			<i>30 June 2009</i>	<i>30 June 2008</i>
ACE EQUIPMENT LEASING NV (*)	BERCHEM-SAINTE-AGATHE (B)	Leasing	100.00%	100.00%
ACE LEASING NV (*)	BERCHEM-SAINTE-AGATHE (B)	Leasing	100.00%	100.00%
ALLERAY Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
ARGANCE Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
CAPTIVE FINANCE Ltd (*)	WANCHAI (HONG KONG)	Leasing	100.00%	100.00%
CAPTIVE FINANCE CORPORATION Ltd (*)	BOULDER (USA)	Leasing	-	100.00%
CAPTIVE FINANCE TAIWAN CO. Ltd (*)	TAIPEI (TAIWAN)	Leasing	100.00%	100.00%
COFHYLUX SA	LUXEMBOURG	Real estate company	100.00%	100.00%
DALGARNO SA	LUXEMBOURG	Financing vehicle	100.00%	100.00%

<b>Name</b>	<b>Registered Office</b>	<b>Activity</b>	<b>Percentage of capital held</b>	
			<b>30 June 2009</b>	<b>30 June 2008</b>
DELVINO SA	LUXEMBOURG	Financing vehicle	100.00%	100.00%
DREIECK ONE Ltd (*)	GEORGES TOWN (CAÏMAN ISLANDS)	Leasing	100.00%	100.00%
ERIS INVESTISSEMENTS Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
ES-FINANCE NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	100.00%	100.00%
FAM FUND ADVISORY SA	LUXEMBOURG	Advisory company	100.00%	100.00%
FBL FINANCE SA (merged with BGL SA)	LUXEMBOURG	Financial institution	-	100.00%
F.L. ZEEBRUGGE NV (*)	BERCHEM-SAINT- AGATHE (B)	Leasing	100.00%	100.00%
FOLEA VERWALTUNGS GmbH (*)	DÜSSELDORF (D)	Leasing	100.00%	100.00%
FOLEA II VERWALTUNGS GmbH (*)	DÜSSELDORF (D)	Leasing	100.00%	100.00%
FOLEA III VERWALTUNGS GmbH (*)	DÜSSELDORF (D)	Leasing	100.00%	-
FOLEA GRUNDSTÜCKSV ERWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT BURTENBACH KG (*)	DÜSSELDORF (D)	Leasing	6.00% (**)	6.00% (**)
FOLEA GRUNDSTÜCKSV ERWALTUNGS- UND VERMIETUNGS GmbH & Co, OBJEKT THALFINGEN KG (*)	DÜSSELDORF (D)	Leasing	6.00% (**)	-
FOLEA GRUNDSTÜCKSV ERWALTUNGS- UND VERMIETUNGS GmbH & CO, OBJEKT LEVERKUSEN KG (*)	DÜSSELDORF (D)	Leasing	6.00% (**)	6.00% (**)
FORTIS BANQUE MONACO SAM	MONACO (MC)	Bank	99.33%	99.00%
FORTIS BANQUE (SUISSE) SA	GENEVA (CH)	Bank	100.00%	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%	100.00%
FORTIS LEASE DEUTSCHLAND AG (*)	DÜSSELDORF (D)	Leasing	100.00%	100.00%
FORTIS LEASE FINLAND O.Y. (formerly: CAPTIVE FINANCE FINLAND OY) (*) (in liquidation)	HELSINKI (FIN)	Leasing	100.00%	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%

<b>Name</b>	<b>Registered Office</b>	<b>Activity</b>	<b>Percentage of capital held</b>	
			<b>30 June 2009</b>	<b>30 June 2008</b>
FORTIS LEASE HOLDING NORGE AS (formerly: CAPTIVE FINANCE HOLDING AS) (*)	OSLO (N)	Leasing	100.00%	100.00%
FORTIS LEASE HOLDINGS UK Ltd (*)	LONDON (GB)	Leasing	100.00%	100.00%
FORTIS LEASE HONG KONG Ltd (formerly CF CORPORATION Ltd) (*)	WANCHAI (HONG KONG)	Leasing	100.00%	100.00%
FORTIS LEASE HUNGARIA OPERATIV LIZING ZRT (*)	BUDAPEST (H)	Leasing	100.00%	100.00%
FORTIS LEASE HUNGARIA ESZKÖZFINANSZIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÖDO RESZVENYTARSASAG (*)	BUDAPEST (H)	Leasing	100.00%	100.00%
FORTIS LEASE HUNGARIA INGATLANFINANSZEROZASI PENZÜGYI LIZING ZRT (*)	BUDAPEST (H)	Leasing	100.00%	100.00%
FORTIS LEASE HUNGARIA GEPJARMUFINANSZIROZASI PENZÜGYI LIZING ZARTKÖRÜEN MUKÖDO RESZVENYTARSASAG (*)	BUDAPEST (H)	Leasing	100.00%	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 ITALIA SpA. (merged with FORTIS LEASE SpA)	ASSAGO (I)	Leasing	--	100.00%
FORTIS LEASE LUXEMBOURG SA (*)	LUXEMBOURG	Leasing	100.00%	100.00%
FORTIS LEASE (MALAYSIA) SDN Bhd (formerly CF CAPITAL (M) SDN Ltd) (*)	KUALA LUMPUR (MALAYSIA)	Leasing	100.00%	100.00%
FORTIS LEASE NEDERLAND NV (*)	HERTOGENBOSCH (NL)	Leasing	100.00%	100.00%
FORTIS LEASE NORGE AS (formerly: CAPTIVE FINANCE NORGE AS) (*)	OSLO (N)	Leasing	100.00%	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%	100.00%
FORTIS LEASE SpA (*)	TREVISIO (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%	100.00%
FORTIS LEASE UK Ltd (*)	LONDON (GB)	Leasing	100.00%	100.00%
FUNDAMENTUM ASSET MANAGEMENT SA (FAM) (in liquidation)	LUXEMBOURG	Asset Management	100.00%	96.54%
GLOBAL MANAGEMENT SERVICES LLC (*)	BUCHAREST (RO)	Leasing	100.00%	100.00%
PARK MOUNTAIN LEASE 2008-I NV (**)	AMSTERDAM (NL)	Leasing	-	-
PATTISON Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
QUAINTON FUNDING Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%
SOCIETE ALSACIENNE DE DEVELOPPEMENT ET D'EXPANSION SA (SADE)	STRASBOURG (F)	Financial institution	100.00%	100.00%

<b>Name</b>	<b>Registered Office</b>	<b>Activity</b>	<b>Percentage of capital held</b>	
			<b>30 June 2009</b>	<b>30 June 2008</b>
TABOR FUNDING Sàrl	LUXEMBOURG	Financing vehicle	100.00%	100.00%

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

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

### **Companies accounted for under the equity method:**

<b>Name</b>	<b>Registered Office</b>	<b>Activity</b>	<b>Percentage of capital held</b>	
			<b>30 June 2009</b>	<b>30 June 2008</b>
<b>Associates</b>				
BIP INVESTMENT PARTNERS SA (**)	LUXEMBOURG	Investment company	9.99%	25.29%
INTERNAXX BANK SA	LUXEMBOURG	Bank	25.00%	75.00%
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%
FORTIS INTERTRUST GROUP HOLDING SA	GENEVA (CH)	Financial institution	25.04%	25.04%
FORTIS INVESTMENT MANAGEMENT SA (FIM)	BRUSSELS (B)	Asset Management	15.33%	15.33%
FORTIS LUXEMBOURG-VIE SA	LUXEMBOURG	Insurance	50.00%	50.00%
NISSAN FINANCE BELGIUM NV (*)	BRUSSELS (B)	Leasing	25.00%	25.00%

### **Joint ventures**

MARIE LEASE Sàrl (*)	LUXEMBOURG	Leasing	50.00%	50.00%
POSTBANK IRELAND Ltd	DUBLIN (IRL)	Bank	50.00%	50.00%

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

(\*\*) Following an important disposal of shares in BIP Investment Partners SA, the entity is not accounted for under equity method since the month of August 2008.

## **4 Dividend**

No dividend has been paid by BGL in the first half-year 2009.

## 5 Cash and Cash Equivalents

	<i>30 June 2009</i>	<i>31 December 2008</i>
Cash on hand	30,4	40.6
Balances with central banks readily convertible in cash other than mandatory reserve deposits	125,0	43.7
Loans to credit institutions	9,660.1	8,332.1
Loans to customers	81,6	-
Other	0.7	2.9
<b>Total</b>	<b>9,897.8</b>	<b>8,419.3</b>
Impairments for incurred but not reported credit risk (IBNR)	-0.3	-0.7
<b>Total cash and cash equivalents</b>	<b>9,897.5</b>	<b>8,418.6</b>

## 6 Held for Trading Financial Assets and Liabilities

### 6.1 Held for trading financial assets

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

	<i>30 June 2009</i>	<i>31 December 2008</i>
Debt securities:		
- Corporate debt securities	1.8	-
Equity securities	93.5	136.8
<b>Total trading securities</b>	<b>95.3</b>	<b>136.8</b>
Derivatives:		
Over the counter (OTC)	318.8	550.1
Exchange traded	19.4	22.4
<b>Total trading derivatives</b>	<b>338.2</b>	<b>572.5</b>
<b>Total held for trading financial assets</b>	<b>433.5</b>	<b>709.3</b>

### 6.2 Held for trading financial liabilities

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

	<i>30 June 2009</i>	<i>31 December 2008</i>
Derivative financial instruments:		
Over the counter (OTC)	738.6	1,178.6
Exchange traded	19.3	22.3
<b>Total derivatives held for trading</b>	<b>757.9</b>	<b>1,200.9</b>
<b>Total held for trading financial liabilities</b>	<b>757.9</b>	<b>1,200.9</b>

The following table provides a specification of the methods used in determining the fair values of trading securities at 30 June 2009 and 31 December 2008:

	<i>30 June 2009</i>	<i>31 December 2008</i>
<i>Total trading securities (assets)</i>		
Fair values of trading securities supported by observable market data	95.3	136.8
<b>Total</b>	<b>95.3</b>	<b>136.8</b>

## 7 Loans and Receivables to Credit Institutions

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

	<i>30 June 2009</i>	<i>31 December 2008</i>
Interest-bearing deposits	256.5	207.3
Loans and advances	2,422.5	2,510.4
Mandatory reserve deposits with central banks	341.9	441.1
Held at fair value through profit or loss	923.7	939.8
Other	213.7	316.5
<b>Total</b>	<b>4,158.3</b>	<b>4,415.1</b>
Less impairments:		
- specific credit risk	-0.1	-0.1
- incurred but not reported credit risk (IBNR)	-1.7	-1.4
<b>Loans and receivables to credit institutions</b>	<b>4,156.5</b>	<b>4,413.6</b>

## 8 Loans and Receivables to Customers

Loans and receivables to customers consist of the following:

	<i>30 June 2009</i>	<i>31 December 2008</i>
Government and official institutions	511.6	510.6
Residential mortgage	3,407.6	3,428.3
Consumer loans	1,047.3	1,044.1
Commercial loans	8,455.4	8,180.6
Debt instruments (1)	680.6	-
Financial lease receivables	11,576.9	12,018.4
Other loans	578.5	698.0
Loans at fair value through profit or loss	-	32.4
Fair value adjustments from hedge accounting	1.0	0.4
<b>Total</b>	<b>26,258.9</b>	<b>25,912.8</b>
Less impairments:		
- specific credit risk	-305.9	-221.9
- incurred but not reported credit risk (IBNR)	-42.9	-38.1
<b>Net loans and receivables to customers</b>	<b>25,910.1</b>	<b>25,652.8</b>

(1) The debt instruments correspond to the financial assets reclassified from "available-for-sale financial assets", in accordance with the amended IAS 39 as described in note 2.5.



## Impairments on loans to customers

Changes in impairments on loans to customers are as follows:

	<i>First Half-Year 2009</i>		<i>First Half-Year 2008</i>	
	Specific credit risk	Incurred but not reported credit risk (IBNR)	Specific credit risk	Incurred but not reported credit risk (IBNR)
<b>Balance at 1 January</b>	<b>221.9</b>	<b>38.1</b>	<b>166.3</b>	<b>21.0</b>
Increase in impairments	137.1	7.8	44.3	6.1
Release of impairments	-20.3	-3.3	-17.0	-0.6
Write-offs of uncollectible loans	-33.8	-	-25.0	-
Foreign currency translation effects and other adjustments	0.9	0.2	0.7	-
<b>Balance at 30 June</b>	<b>305.8</b>	<b>42.8</b>	<b>169.3</b>	<b>26.5</b>

Following the transfer of the remaining positions held in the credit structured investment portfolio from the available-for-sale portfolio to the loans and receivables portfolio (also see note 9), no additional impairment has been booked on the transferred debt instruments.

## 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 2009</i>						
Government bonds	2,890.8	58.4	-47.1	11.4	-	2,913.5
Corporate debt securities	3,371.1	2.6	-148.6	40.3	-21.7	3,243.7
Private equities and venture capital	6.0	0.8	-	-	-2.8	4.0
Other equity securities	235.5	2.8	-36.4	1.0	-	202.9
Other investments	48.1	3.9	-0.2	-	-0.7	51.1
<b>Total</b>	<b>6,551.5</b>	<b>68.5</b>	<b>-232.3</b>	<b>52.7</b>	<b>-25.2</b>	<b>6,415.2</b>
<i>31 December 2008</i>						
Government bonds	2,953.9	69.3	-51.7	12.9	-	2,984.4
Corporate debt securities	3,814.5	3.2	-210.0	36.7	-19.1	3,625.3
Mortgage-backed securities	1,077.4	-	-181.0	-	-49.2	847.2
Other asset-backed securities	635.0	-	-64.1	0.1	-192.9	378.1
Private equities and venture capital	6.0	1.0	-	-	-2.0	5.0
Other equity securities	357.4	7.1	-35.6	1.5	-55.2	275.2
Other investments	48.6	1.0	-2.4	-	-0.7	46.5
<b>Total</b>	<b>8,892.8</b>	<b>81.6</b>	<b>-544.8</b>	<b>51.2</b>	<b>-319.1</b>	<b>8,161.7</b>

### Valuation techniques

The following table provides a specification of the methods used in determining the fair values of available-for-sale financial assets at 30 June 2009 and 31 December 2008:

	30 June 2009	31 December 2008
Fair values of available-for-sale financial assets supported by observable market data	6,415.2	6,935.0
<b>Total</b>	<b>6,415.2</b>	<b>6,935.0</b>
Fair values of available-for-sale financial assets obtained by using valuation techniques referring to:		
- mathematical calculation methods based on recognised financial theories	-	19.4
- provided by external suppliers	-	1,207.3
<b>Total</b>	<b>-</b>	<b>1,226.7</b>
<b>Total financial assets available-for-sale</b>	<b>6,415.2</b>	<b>8,161.7</b>

### Valuation techniques referring to mathematical calculation methods based on recognised financial theories

Certain financial instruments, although not quoted on active markets, are priced by using methods based on parameters observable in the markets. These models use market parameters calibrated from observable data such as yield curves, implicit volatility spreads of options, default rates and loss assumptions obtained from consensual data or from active markets over the counter. The valuation obtained by these models is adjusted in order to take into account liquidity and credit risks.

### Prices provided by external suppliers

Certain financial instruments are priced using an average price provided by external suppliers when the Bank was able to find a quotation communicated by one of the 3 following suppliers, sorted by priority ranking: Markit, FTID and Bloomberg.

### Impairments on available-for-sale financial assets

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

	First Half-Year 2009	First Half-Year 2008
<b>Balance at 1 January</b>	<b>319.1</b>	<b>32.2</b>
Increase in impairments	71.7	15.4
Release of impairments	-	-0.2
Reversal on sale/disposal	-361.2	-1.7
Foreign currency translation effects	1.7	-0.2
Other adjustments	-6.1	-
<b>Balance at 30 June</b>	<b>25.2</b>	<b>45.5</b>

Impairments increased by EUR 71.7 million mainly explained by impairments on the Mortgage Backed Securities portfolio amounting to EUR 57.1 million and impairments on the Asset Backed Securities portfolio amounting to EUR 11.6 million.

The Bank accounted for a reversal of impairment on ALM equity positions amounting to EUR 56.1 million following the sale of those positions. In addition, the impairment amounting to EUR 305.1 million on the positions included in the carve-out portfolio, which has been transferred to the dedicated special purpose vehicle, has been reversed.

Other adjustments represent the transfer of partial impairments amounting to EUR 6.1 million accounted for on the Available-for-sale securities portfolio transferred to Loans and receivables.

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.

### *Net unrealised gains and losses on Available - for-sale investments included in equity*

	<i>30 June 2009</i>	<i>31 December 2008</i>
<b>Available-for-sale investments in equity securities and other investments:</b>		
Carrying amount	258.0	326.7
Gross unrealised gains and losses	-29.1	-31.4
- related tax	11.6	10.6
<b>Net unrealised gains and losses</b>	<b>-17.5</b>	<b>-20.8</b>
<b>Available-for-sale investments in debt securities:</b>		
Carrying amount	6,157.2	7,735.0
Gross unrealised gains and losses	-134.7	-430.9
- related tax	37.4	123.2
<b>Net unrealised gains and losses</b>	<b>-97.3</b>	<b>-307.7</b>

### *Reclassification of financial assets*

As at 30 April 2009 and following the amendments to IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' (see note 2.5 Changes in classifications), the Bank decided to reclassify certain financial assets for a nominal amount of EUR 831.3 million from the available-for-sale portfolio to the loans and receivables portfolio. The reclassification of these financial assets reflects the change in intent and ability of the Bank to hold these financial assets for the foreseeable future.

Financial assets that have been reclassified are recognised at their fair value on the date of reclassification which became their new cost base. Subsequent valuation of loans and receivables is at amortised cost.

The assets which have been reclassified in the second quarter of 2009 are summarised in the following table:

	<i>Carrying amount as of reclassification date</i>	<i>Carrying amount as of 30 June 2009</i>	<i>Fair Value as of 30 June 2009</i>
Available-for-sale portfolio reclassified to Loans & receivables	668.0	680.6	674.0
<b>Total financial assets reclassified to Loans &amp; receivables</b>	<b>668.0</b>	<b>680.6</b>	<b>674.0</b>

The following table gives the impact of the reclassified assets on the income statement and on equity both before and after the reclassification date.

	<i>Until reclassification date</i>	<i>After reclassification date</i>
<b>Effect on income statement</b>		
Investment income	-	0.3
Change in impairment	- 6.1	-
<b>Effect on equity</b>		
Revaluation of instruments classified as available-for-sale	- 28.5	10.9

The fair value impact of the reclassified financial assets that would have been recognised in equity (between the reclassification date and 30 June 2009), if the Bank had not reclassified any financial assets, amounts to EUR -6.6 million.

## 10 Held to Maturity Financial Assets

	30 June 2009		31 December 2008	
	Carrying value	Fair value	Carrying value	Fair value
Government bonds	1,714.5	1,777.5	1,788.8	1,822.5
Corporate debt securities	15.0	15.3	-	-
<b>Total</b>	<b>1,729.5</b>	<b>1,792.8</b>	<b>1,788.8</b>	<b>1,822.5</b>

## 11 Investments in Associates Accounted for under the Equity Method

	30 June 2009	31 December 2008
<b>Associates and joint ventures</b>		
Fortis Investment Management SA	282.3	282.0
Fortis Luxembourg Vie SA	40.8	37.4
Fortis Intertrust Group Holding SA	76.0	72.9
Postbank Ireland Ltd	34.3	40.3
Other	26.2	20.3
<b>Total</b>	<b>459.6</b>	<b>452.9</b>

Until 31 December 2008, Internaxx Bank SA was fully consolidated within the Bank's consolidated financial statements. Following the partial disposal of its participation, this entity is now accounted for under the equity method. The Bank's share in the equity amounts to EUR 4.6 million and is included in the line "Other".

## 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:

	<i>30 June 2009</i>	<i>31 December 2008</i>
<b>Acquisition cost at 1 January</b>	<b>720.2</b>	<b>642.3</b>
Acquisitions	2.3	68.7
Disposals	-	-36.1
Transfer from buildings under construction	-	43.7
Foreign currency translation effects	-0.7	1.7
Other	-7.8	-0.1
<b>Acquisition cost at end of the period/year</b>	<b>714.0</b>	<b>720.2</b>
<b>Accumulated depreciation at 1 January</b>	<b>-96.8</b>	<b>-89.3</b>
Depreciation expense	-10.2	-20.3
Reversal of depreciations	-	11.8
Foreign currency translation effects	-	0.1
Other	-	0.9
<b>Accumulated depreciation at end of the period/year</b>	<b>-107.0</b>	<b>-96.8</b>
<b>Impairments at 1 January</b>	<b>-6.4</b>	<b>-0.7</b>
Increase in impairments	-	-5.8
Reversal of impairments	-	0.1
<b>Impairments at end of the period/year</b>	<b>-6.4</b>	<b>-6.4</b>
<b>Investment property</b>	<b>600.6</b>	<b>617.0</b>
Fair value supported by market evidence	246.9	239.8
Fair value subject to an independent valuation	460.6	462.1
<b>Total fair value of investment property</b>	<b>707.5</b>	<b>701.9</b>

The decrease in acquisitions is due to a considerable slow down in the investment strategy of the leasing entities in buildings under operational lease, mainly at the level of Fortis Lease (B) SA and Fortis Lease Nederland NV.

## 13 Deposits from Credit Institutions

Deposits from credit institutions are as follows:

	<i>30 June 2009</i>	<i>31 December 2008</i>
Deposits from credit institutions:		
On demand	642.7	366.7
Interest bearing deposits	4,477.8	4,806.9
Other	1.4	1.7
<b>Total deposits</b>	<b>5,121.9</b>	<b>5,175.3</b>
Repurchase agreements	4,781.9	3,060.3
Advances against collateral	1,800.0	4,053.1
Financial liabilities designated at fair value through profit or loss	-	32.4
Other	6,091.1	6,572.7
<b>Total deposits from credit institutions</b>	<b>17,794.9</b>	<b>18,893.8</b>

The line "Other" includes the long term refinancing of the leasing entities.

On 31 December 2008, advances from central banks against collateral have been reclassified for EUR 4,053.1 million from Interest bearing deposits to Advances against collateral.

## 14 Deposits from Customers

The components of deposits from customers are as follows:

	<i>30 June 2009</i>	<i>31 December 2008</i>
Demand deposits	9,885.0	9,665.2
Saving deposits	2,977.3	1,805.1
Time deposits	7,626.4	7,567.4
Other deposits	43.8	7.5
Other borrowings	1.7	4.5
<b>Total deposits from customers</b>	<b>20,534.2</b>	<b>19,049.7</b>

## 15 Debt Certificates

Debt certificates are composed of debt securities and other fixed interest rate securities. At 30 June 2009, the Bank has issued the following types of debt certificates:

	<i>30 June 2009</i>	<i>31 December 2008</i>
Bons de caisse	341.2	209.0
Commercial paper	1,410.8	1,185.9
Other	3.3	3.7
<b>Total at amortised cost</b>	<b>1,755.3</b>	<b>1,398.6</b>
Held at fair value through profit or loss	2,866.7	3,736.3
<b>Total debt certificates</b>	<b>4,622.0</b>	<b>5,134.9</b>

## 16 Interest

### 16.1 Interest and similar income

The breakdown of interest and similar income is as follows:

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Interest on cash equivalents	58.0	217.0
Interest on due from credit institutions	75.9	122.1
Interest on held to maturity financial assets	34.3	39.1
Interest on available-for-sale financial assets	154.8	223.6
Interest on loans and receivables to customers	560.8	742.9
Interest on held for trading financial assets and derivatives	100.4	467.7
Other interest	14.3	34.6
<b>Total interest and similar income</b>	<b>998.5</b>	<b>1,847.0</b>

### 16.2 Interest expense and similar charges

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

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Interest on deposits from credit institutions	212.6	421.2
Interest on deposits from customers	126.2	416.6
Interest on debt certificates	64.8	138.8
Interest on subordinated liabilities	20.7	20.5
Interest on held for trading financial liabilities and derivatives	118.9	479.0
Interest on other liabilities	45.2	46.3
<b>Total interest expense and similar charges</b>	<b>588.4</b>	<b>1,522.4</b>

## 17 Fee and Commissions

### 17.1 Fee and commission income

Fee and commission income is as follows:

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Securities	44.8	58.5
Asset management	79.9	111.0
Payment services	9.8	11.3
Guarantees and commitments	11.0	5.6
Other	51.1	44.8
<b>Total fee and commission income</b>	<b>196.6</b>	<b>231.2</b>

### 17.2 Fee and commission expense

Fee and commission expense is as follows:

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Securities	23.2	34.1
Intermediaries	3.1	4.3
Payment services	5.0	4.8
Custodian fees	4.8	3.6
Other	13.4	11.9
<b>Total fee and commission expense</b>	<b>49.5</b>	<b>58.7</b>

## 18 Net Realised Capital Gains on Investments

Net realised capital gains on investments are as follows:

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Debt securities (available-for-sale financial assets)	3.3	3.8
Securities reclassified to L&R	0.3	-
Equity securities (available-for-sale financial assets)	-21.0	64.7
Real estate	-	1.3
Subsidiaries, investments in associates accounted for under the equity method	8.4	-
Other	-	-0.1
<b>Net realised capital gains on investments</b>	<b>-9.0</b>	<b>69.7</b>



## 19 Change in Impairments

Change in impairments is as follows:

	<i>First Half-Year 2009</i>	<i>First Half-Year 2008</i>
Cash and cash equivalents	0.3	-0.3
Loans and receivables to credit institutions	-0.3	-1.0
Loans and receivables to customers	-121.3	-32.8
Credit commitments	-3.2	-4.1
Available-for-sale financial assets	60.5	-15.2
Investment property	-	-0.1
Tangible assets	0.1	0.1
Intangible assets	-	-7.7
Other assets	-20.2	-6.1
<b>Total change in impairments</b>	<b>-84.1</b>	<b>-67.2</b>

The increases in impairments on “Loans and receivables to customers” and “Other assets” is mainly due to provisions recognized at the level of the leasing entities for an amount of EUR 110.0 million. The decrease in impairments on “Available-for-sale financial assets” is the result of the release of provisions at the level of BGL SA in the context of the sale of certain available-for-sale positions to the dedicated special purpose vehicle.

## 20 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 organised into three businesses, further subdivided into business segments (for details see below):

- Retail Banking;
- Asset Management & Private Banking;
- Merchant Banking.

Activities not related to Banking and elimination differences are reported separately.

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.

## **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. In Ireland, a financial services joint venture exists, named Postbank established with An Post.

## **Asset Management & Private Banking**

### *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.

### *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.

Corporate & Public Banking is responsible for the global relationship management of corporate and public-sector clients.

Commercial Banking aims to be the partner of choice for Europe-oriented medium-sized enterprises by offering added-value solutions through a cohesive network of business centres.

Investment Banking offers a wide variety of financial services, including corporate finance, structured finance and private equity. It provides integrated financial solutions in the fields of export and project finance, acquisition and leveraged finance, real estate finance and principal finance (primarily targeting transportation group companies).

Global Markets includes Institutional Banking, and Clearing, Funds & Custody.

Global Markets develops and delivers comprehensive, tailored and integrated solutions to top corporate clients, financial institutions, mid-caps, private banking clients, governments and public entities worldwide. It is present in 25 countries across Europe, America and Asia.

Clearing, Funds & Custody offers high-value financial services in custody, clearing, fund administration and financing that support the trading and investment activities of financial professionals.

Specialised Finance consists of Energy, Commodities & Transportation (ECT), leasing, commercial finance, trade finance, supply chain and cash management. This business line is made up of separate entities with different internal and external distribution channels and client bases. It develops a joint market approach that brings high-added value solutions to customers.

## **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.

## **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.

## 20.1 Consolidated Statement of Financial Position by segment

30 June 2009

	<i>Retail Banking</i>	<i>Asset Management</i>	<i>Private Banking</i>	<i>Merchant Banking</i>	<i>Other Banking</i>	<i>Eliminations</i>	<i>Total Banking</i>
<b>Assets</b>							
Cash and cash equivalents	-	-	533.3	9,365.5	56.1	-57.4	9,897.5
Held for trading financial assets	-	-	41.9	392.3	-	-0.7	433.5
Hedging derivatives	-	-	-	1.7	-	-	1.7
Loans and receivables to credit institutions	-	-	9.7	5,493.5	32.9	-4,843.1	4,156.5
Loans and receivables to customers	4,927.4	-	2,336.2	23,456.7	-	-4,810.2	25,910.1
Available-for-sale financial assets	-	-	2.9	3,165.5	3,246.8	-	6,415.2
Held to maturity financial assets	-	-	-	-	1,729.5	-	1,729.5
Financial assets designated at fair value through profit or loss	-	-	-	11.5	-	-	11.5
Investments in associates accounted for under the equity method	33.1	282.3	-	88.0	-105.1	161.3	459.6
Investment property	-	-	-	584.3	16.2	0.1	600.6
Tangible assets	-	-	21.8	72.0	260.6	-0.1	354.3
Goodwill and other intangible assets	-	-	0.1	35.0	180.3	-0.1	215.3
Current and deferred tax assets	-	-	1.9	59.1	0.1	0.1	61.2
Other assets	-	-	269.2	2,163.4	10.1	-269.2	2,180.5
Prepayments and accrued income	-	-	10.7	412.8	4.9	-6.6	421.8
Internal investments	3,375.2	-	2,156.7	-	1,003.1	-6,535.0	-
<b>Total assets</b>	<b>8,335.7</b>	<b>282.3</b>	<b>5,384.4</b>	<b>45,301.3</b>	<b>6,435.5</b>	<b>-12,890.4</b>	<b>52,848.8</b>
<b>Liabilities</b>							
Held for trading financial liabilities	-	-	37.6	721.0	-	-0.7	757.9
Hedging derivatives	-	-	1.0	54.1	-	-	55.1
Deposits from credit institutions	47.8	-	1,006.3	19,650.1	-	-2,909.3	17,794.9
Deposits from customers	7,947.1	-	4,285.5	8,391.0	-	-89.4	20,534.2
Debt certificates	334.3	-	6.9	4,280.8	-	-	4,622.0
Subordinated liabilities	-	-	-	703.3	-	-	703.3
Current and deferred tax liabilities	-	-	7.6	54.8	110.5	0.1	173.0
Provisions	5.4	-	24.9	8.1	9.5	-0.1	47.8
Other liabilities	0.1	-	-	5,117.0	114.9	-3,540.4	1,691.6
Accruals and deferred income	1.0	-	14.5	254.0	0.4	-1.1	268.8
Internal finance	-	282.3	0.1	6,067.1	-	-6,349.5	-
<b>Total liabilities</b>	<b>8,335.7</b>	<b>282.3</b>	<b>5,384.4</b>	<b>45,301.3</b>	<b>235.3</b>	<b>-12,890.4</b>	<b>46,648.6</b>
Shareholders' equity	-	-	-	-	6,196.9	-	6,196.9
Minority interest	-	-	-	-	3.3	-	3.3
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,200.2</b>	<b>-</b>	<b>6,200.2</b>
<b>Total liabilities and equity</b>	<b>8,335.7</b>	<b>282.3</b>	<b>5,384.4</b>	<b>45,301.3</b>	<b>6,435.5</b>	<b>-12,890.4</b>	<b>52,848.8</b>

31 December 2008

	<i>Retail Banking</i>	<i>Asset Management</i>	<i>Private Banking</i>	<i>Merchant Banking</i>	<i>Other Banking</i>	<i>Eliminations</i>	<i>Total Banking</i>
<b>Assets</b>							
Cash and cash equivalents	207.5	-	529.0	7,877.4	-	-195.3	8,418.6
Held for trading financial assets	-	-	96.5	600.9	12.4	-0.5	709.3
Hedging derivatives	-	-	0.9	3.7	-	-	4.6
Loans and receivables to credit institutions	4.6	-	10.3	4,842.3	-	-443.6	4,413.6
Loans and receivables to customers	4,887.5	-	2,328.2	19,929.5	32.9	-1,525.3	25,652.8
Available-for-sale financial assets	-	-	2.9	4,794.7	3,364.1	-	8,161.7
Held to maturity financial assets	-	-	-	-	1,788.8	-	1,788.8
Financial assets designated at fair value through profit or loss	-	-	-	14.8	-	-	14.8
Investments in associates accounted for under the equity method	34.7	282.0	-	83.5	-108.5	161.2	452.9
Investment property	-	-	-	600.3	16.7	-	617.0
Tangible assets	0.3	-	23.6	57.4	269.0	-	350.3
Goodwill and other intangible assets	0.2	-	0.1	40.5	180.9	-	221.7
Current and deferred tax assets	-	-	0.1	80.1	49.9	-	130.1
Other assets	0.3	-	60.6	1,008.1	9.0	-83.9	994.1
Prepayments and accrued income	0.1	-	9.7	606.4	3.1	-19.7	599.6
Internal investments	3,260.2	-	2,640.7	-	663.1	-6,564.0	-
<b>Total assets</b>	<b>8,395.4</b>	<b>282.0</b>	<b>5,702.6</b>	<b>40,539.6</b>	<b>6,281.4</b>	<b>-8,671.1</b>	<b>52,529.9</b>
<b>Liabilities</b>							
Held for trading financial liabilities	-	-	95.1	1,048.4	57.4	-	1,200.9
Hedging derivatives	-	-	1.1	53.8	-	-	54.9
Deposits from credit institutions	60.4	-	1,428.3	19,276.6	0.2	-1,871.7	18,893.8
Deposits from customers	8,125.4	-	4,049.0	6,876.5	-	-1.2	19,049.7
Debt certificates	200.1	-	8.9	4,925.9	-	-	5,134.9
Subordinated liabilities	-	-	-	653.8	148.8	-	802.6
Current and deferred tax liabilities	-	-	13.1	71.0	70.8	-	154.9
Provisions	4.3	-	79.0	6.9	46.2	-	136.4
Other liabilities	4.3	-	-	1,155.3	148.9	-417.3	891.2
Accruals and deferred income	0.9	-	28.1	374.0	0.3	-1.5	401.8
Internal finance	-	282.0	-	6,097.4	-	-6,379.4	-
<b>Total liabilities</b>	<b>8,395.4</b>	<b>282.0</b>	<b>5,702.6</b>	<b>40,539.6</b>	<b>472.6</b>	<b>-8,671.1</b>	<b>46,721.1</b>
Shareholders' equity	-	-	-	-	5,800.4	-	5,800.4
Minority interest	-	-	-	-	8.4	-	8.4
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,800.8</b>	<b>-</b>	<b>5,800.8</b>
<b>Total liabilities and equity</b>	<b>8,395.4</b>	<b>282.0</b>	<b>5,702.6</b>	<b>40,539.6</b>	<b>6,281.4</b>	<b>-8,671.1</b>	<b>52,529.9</b>

## 20.2 Consolidated Income Statement

	<i>First Half-Year 2009</i>						
	<i>Retail</i>	<i>Asset</i>	<i>Private</i>	<i>Merchant</i>	<i>Other</i>		<i>Total</i>
	<i>Banking Management</i>		<i>Banking</i>	<i>Banking</i>	<i>Banking</i>	<i>Eliminations</i>	<i>Banking</i>
Interest and similar income	258.2	-	96.9	1,156.5	-0.5	-512.5	998.5
Interest expense and similar charges	-150.2	-	-54.6	-889.6	-6.5	512.5	-588.4
Dividends and other investment income	0.6	-	1.1	27.9	9.3	-0.2	38.6
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	-	68.9	93.8	3.7	-5.7	196.6
Fee and commission expense	-1.8	-	-11.2	-38.7	-3.5	5.7	-49.5
Net realised capital gains on investments	-	-	-	-0.1	-8.9	-	-9.0
Other net realised and unrealised gains (losses)	0.8	-	3.7	26.4	6.4	-	37.3
Other income	0.2	-	2.3	8.4	5.3	-	16.2
<b>Net operating income before change in impairments (including ALM allocation)</b>	<b>137.8</b>	<b>2.3</b>	<b>107.1</b>	<b>389.0</b>	<b>7.7</b>	<b>-0.2</b>	<b>643.7</b>
Change in impairments	-7.2	-	-15.4	-61.8	0.3	-	-84.1
<b>Total net operating income (including ALM allocation)</b>	<b>130.6</b>	<b>2.3</b>	<b>91.7</b>	<b>327.2</b>	<b>8.0</b>	<b>-0.2</b>	<b>559.6</b>
Staff expenses	-22.8	-	-31.5	-51.6	-44.4	-	-150.3
Other administrative expenses	-4.0	-	-13.1	-31.6	-38.6	0.2	-87.1
Amortisation of tangible and intangible assets	-	-	-1.5	-17.2	-12.4	-	-31.1
Allocated expenses	-48.4	-	-18.5	-23.0	89.9	-	-
<b>Total operating expenses (including ALM allocation)</b>	<b>-75.2</b>	<b>-</b>	<b>-64.6</b>	<b>-123.4</b>	<b>-5.5</b>	<b>0.2</b>	<b>-268.5</b>
<b>Profit before tax (including ALM allocation)</b>	<b>55.4</b>	<b>2.3</b>	<b>27.1</b>	<b>203.8</b>	<b>2.5</b>	<b>-</b>	<b>291.1</b>
Tax expense	-15.8	-	-6.2	-79.8	1.5	-	-100.3
<b>Net profit for the period (including ALM allocation)</b>	<b>39.6</b>	<b>2.3</b>	<b>20.9</b>	<b>124.0</b>	<b>4.0</b>	<b>-</b>	<b>190.8</b>
Minority interest	0.1	-	-	0.1	-	-	0.2
<b>Net profit attributable to shareholders (including ALM allocation)</b>	<b>39.7</b>	<b>2.3</b>	<b>20.9</b>	<b>124.1</b>	<b>4.0</b>	<b>-</b>	<b>191.0</b>

First Half-Year 2008

	<i>Retail</i>	<i>Asset</i>	<i>Private</i>	<i>Merchant</i>	<i>Other</i>		<i>Total</i>
	<i>Banking Management</i>		<i>Banking</i>	<i>Banking</i>	<i>Banking</i>	<i>Eliminations</i>	<i>Banking</i>
Interest and similar income	410.6	-	153.6	2,068.6	-0.6	-785.2	1,847.0
Interest expense and similar charges	-315.6	-	-123.7	-1,876.7	8.4	785.2	-1,522.4
Dividends and other investment income	0.6	-	0.8	25.4	12.9	-0.3	39.4
Share of the profit or loss of associates accounted for under the equity method	-4.3	115.4	11.0	2.5	6.7	-	131.3
Fee and commission income	53.2	-	93.0	82.8	3.7	-1.5	231.2
Fee and commission expense	-2.5	-	-16.3	-37.9	-3.5	1.5	-58.7
Net realised capital gains on investments	-	-	-	1.9	67.8	-	69.7
Other net realised and unrealised gains (losses)	2.6	-	5.7	26.0	-8.8	-	25.5
Other income	25.7	-	8.8	64.0	-75.2	-	23.3
<b>Net operating income before change in impairments</b>	<b>170.3</b>	<b>115.4</b>	<b>132.9</b>	<b>356.6</b>	<b>11.3</b>	<b>-0.3</b>	<b>786.3</b>
Change in impairments	-14.4	-	-3.3	-49.6	0.1	-	-67.2
<b>Total net operating income</b>	<b>155.9</b>	<b>115.4</b>	<b>129.6</b>	<b>307.0</b>	<b>11.4</b>	<b>-0.3</b>	<b>719.1</b>
Staff expenses	-24.5	-	-30.3	-56.9	-48.6	-	-160.3
Other administrative expenses	-4.7	-	-12.0	-31.1	-43.0	0.3	-90.5
Amortisation of tangible and intangible assets	-0.3	-	-1.5	-16.1	-13.6	-	-31.5
Allocated expenses	-50.3	-	-22.6	-23.1	96.0	-	-
<b>Total operating expenses</b>	<b>-79.8</b>	<b>-</b>	<b>-66.4</b>	<b>-127.2</b>	<b>-9.2</b>	<b>0.1</b>	<b>-282.3</b>
<b>Profit before tax</b>	<b>76.1</b>	<b>115.4</b>	<b>63.2</b>	<b>179.8</b>	<b>2.2</b>	<b>-</b>	<b>436.8</b>
Tax expense	-16.0	-	-11.3	-19.8	-0.5	-	-47.6
<b>Net profit for the period</b>	<b>60.1</b>	<b>115.4</b>	<b>51.9</b>	<b>160.0</b>	<b>1.7</b>	<b>-</b>	<b>389.2</b>
Minority interest	-0.2	-	-0.1	-0.5	-	-	-0.8
<b>Net profit attributable to shareholders</b>	<b>59.9</b>	<b>115.4</b>	<b>51.8</b>	<b>159.5</b>	<b>1.7</b>	<b>-</b>	<b>388.4</b>

## 21 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.

	<i>30 June 2009</i>	<i>31 December 2008</i>
Investments for own account:		
- Debt securities	7,886.6	9,623.8
- Equity securities	269.6	341.4
- Real estate	600.6	617.0
- Other	459.6	453.0
<b>Total investments for own account</b>	<b>9,216.4</b>	<b>11,035.2</b>
Funds under management:		
- Debt securities	11,561.5	12,394.2
- Equity securities	7,332.6	7,372.1
- Eliminations	-1,679.8	-1,859.5
<b>Total funds under management</b>	<b>17,214.3</b>	<b>17,906.8</b>
<b>Total assets under management</b>	<b>26,430.7</b>	<b>28,942.0</b>

## 22 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.

## 23 Post-Balance Sheet Events

Since the closing of the accounts as of 30 June 2009, 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.

During the coming months, beside the focus on the continued development of the commercial offer in the best interest of its clients, the Bank will also be dedicated to the organisation of the integration of the BGL Group into the BNP Paribas Group.