



## **Registration Document**

*(issued in compliance with Annex XI of the EU Prospectus Regulation (Commission Regulation (EC) No 809/2004 of 29 April 2004 (as amended)) (the "EU Prospectus Regulation"))*

### **BGL BNP Paribas**

(BGL BNP Paribas is incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and registered with the *Registre du Commerce et des Sociétés de Luxembourg* under the Number B 6481)

Dated as of 23 May 2013

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## INTRODUCTION

This document constitutes a registration document (a “**Registration Document**”, which definition also includes all information incorporated by reference herein as supplemented from time to time) for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Prospectus Directive**”) and has been prepared for the purpose of giving information with respect to BGL BNP Paribas (“**BGL**” or the “**Issuer**”) which, according to the particular nature of the Issuer and the securities which it may offer to the public or apply to have admitted to trading on a regulated market, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Registration Document has been filed with, and approved by, the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) which is the Luxembourg competent authority for the purpose of the Prospectus Directive. The CSSF assumes no responsibility for the economic and financial soundness as to the quality or solvency of BGL in accordance with article 7(7) of the Luxembourg Law dated 10 July 2005 on prospectuses for securities. The Registration Document will be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of this Registration Document may be obtained from the registered office of the Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch at 33 rue de Gasperich, Howald-Hesperange, L-2085, Luxembourg as issuing and principal paying agent. You are reminded that documents transmitted via a website (if any) may be altered during the process of electronic transmission and consequently neither the Issuer nor any of its affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the documents distributed to you in electronic format and the hard copy version available to you on request from the registered office of the Issuer.

This Registration Document shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of any securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Issuer is authorised and regulated in Luxembourg by the CSSF.

## DOCUMENTS INCORPORATED BY REFERENCE

This Registration Document should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Registration Document and that have been filed with the CSSF for the purpose of the Prospectus Directive, and shall be incorporated in, and form part of, this Registration Document:

- (a) the Annual Report of the Issuer for the year ended 31 December 2012 (in French) including the:

Audit Report	set out at page 39
Consolidated Profit and Loss Account	set out at page 40
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	set out at page 41
Consolidated Balance Sheet	set out at page 42
Statement of Changes in the Consolidated Shareholders Equity from 1 January 2011 to 31 December 2012	set out at pages 43 to 45
Consolidated Cash Flow Statement	set out at pages 46 to 47
Notes to the Consolidated Financial Statements	set out at pages 48 to 164

- (b) the Annual Report of the Issuer for the year ended 31 December 2011 (in French) including the:

Audit Report	set out at page 35
Consolidated Profit and Loss Account	set out at page 36
Statement of Consolidated Net Income and Changes in Assets and Liabilities Recognised Directly in Consolidated Equity	set out at page 37
Consolidated Balance Sheet	set out at page 38
Statement of Changes in the Consolidated Equity from 1 January 2010 to 31 December 2011	set out at pages 39 to 41
Consolidated Cash Flow Statement	set out at pages 42 to 43
Notes to the Consolidated Financial Statements	set out at pages 46 to 171

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in this Registration Document modifies or supersedes such statement.

The information incorporated by reference that is not included in the cross-reference list is considered to be additional information and is not required by the relevant schedules of the EU Prospectus Regulation.

Following the publication of this Registration Document a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise) be deemed to modify or supersede statements contained in this Registration Document, or in a document which is incorporated by reference in this Registration Document. Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Registration Document.

The Registration Document, the documents incorporated by reference herein and any supplements will be available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of the Registration Document and the documents incorporated by reference herein can be obtained free of charge at the registered office of (i) the Issuer in Luxembourg at 50, avenue J.F. Kennedy, L-2951 Luxembourg and (ii) BNP Paribas Securities Services, Luxembourg branch at 33 rue de Gasperich, Howald-Hesperange, L-2085, Luxembourg.

The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Registration Document prepare a supplement to this Registration Document or publish a new Registration Document.

## RISK FACTORS

*The Issuer believes that the following factors may affect the value of the securities issued by the Issuer. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in securities issued by the Issuer, but the inability of the Issuer to pay interest, principal or other amounts or perform other obligations on or in connection with any securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to any securities issued by the Issuer, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the securities and consider such an investment decision in the light of the prospective investor's personal circumstances.*

**(a) *As part of the financial services industry, BGL faces substantial competitive pressure which could adversely affect the results of its operations.***

There is substantial competition in Belgium, Luxembourg and the other regions in which BGL carries on business for the types of banking and asset management, and other products and services BGL provides.

Such competition is most pronounced in the core Benelux markets of BGL where BGL faces competition from companies such as KBC Bank, BIL and ING Group. As a result, BGL's strategy is to maintain customer loyalty and retention, which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If BGL is unable to compete with attractive product and service offerings that are profitable, BGL may lose market share or incur losses on some or all of BGL's activities.

Competitive pressures could result in increased pricing pressures on a number of BGL's products and services, particularly as competitors seek to win market share, and may harm BGL's ability to maintain or increase profitability.

**(b) *Difficult market and economic conditions could in the future have a material adverse effect on the operating environment for financial institutions and hence on BGL's financial condition, results of operations and cost of risk.***

As part of a global financial institution, BGL's businesses can be highly sensitive to changes in the financial markets and economic conditions generally in Europe (especially in Belgium and Luxembourg). BGL could be confronted with a significant deterioration of market and economic conditions resulting, among other things, from crises affecting capital, credit or liquidity markets, regional or global recessions, sharp fluctuations in commodity prices (including oil), currency exchange rates or interest rates, inflation or deflation, sovereign debt rating downgrades, restructurings or defaults, or adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts). Market disruptions and sharp economic downturns, which may develop quickly and hence not be fully hedged, could affect the operating environment for financial institutions for short or extended periods and have a material adverse effect on BGL's financial condition, results of operations or cost of risk.

European markets have recently experienced significant disruptions as a result of concerns regarding the ability of certain countries in the eurozone to refinance their debt obligations

and of the financial assistance provided to certain European Union member states. These disruptions have contributed to increased volatility in the exchange rate of the euro against other major currencies, affected the levels of stock market indices and created uncertainty regarding the near-term economic prospects of countries in the European Union as well as the quality of bank loans to sovereign debtors in the European Union.

BGL holds and in the future may hold substantial portfolios of sovereign debt obligations issued by the governments of, and has and may in the future have substantial amounts of loans outstanding to borrowers in, certain of the countries that have been most significantly affected by the current crisis. BGL is also active in the interbank financial market and as a result, is indirectly exposed to risks relating to the sovereign debt held by the financial institutions with which it does business. More generally, the sovereign debt crisis has had, and may continue to have, an indirect impact on financial markets and, increasingly, economies, in Europe and worldwide, and therefore on the environment in which BGL operates.

If economic conditions in Europe or in other parts of the world were to deteriorate, particularly in the context of an exacerbation of the sovereign debt crisis (such as a sovereign default), BGL could be required to record additional impairment charges on its sovereign debt holdings or record further losses on sales thereof, and the resulting market and political disruptions could have a significant adverse impact on the credit quality of BGL's customers and financial institution counterparties, on market parameters such as interest rates, currency exchange rates and stock market indices, and on BGL's liquidity and ability to raise financing on acceptable terms.

Moreover, the recent financial crisis has resulted, and is likely to continue to result, in more restrictive regulation of the financial services industry, which could have a material adverse effect on BGL's business, financial condition and results of operations. Indeed, legislators, governments, regulators, advisory groups, trade and professional associations and various committees at the national, European and international level have adopted or proposed an array of measures in response to the recent financial crisis. These include Basel 3, Capital Requirements Directive 4 and the requirements in relation to them announced by the European Banking Authority and will increase BGL's regulatory capital and liquidity requirements and may limit its permissible leverage. BGL has announced certain measures in relation to these requirements; ensuring and maintaining compliance with them in the future may lead BGL to take various measures, such as further reducing its balance sheet or bolstering its capital base, that could weigh on its profitability and adversely affect its financial condition and results of operations.

Some of the new regulatory measures are proposals that are under discussion and that are subject to revision, and would in any case need adaptation to each country's regulatory framework by national regulators. As a result, it is not possible to predict which proposed new measures will ultimately be adopted, what their final form will be or what impact they will have on BGL. Depending on the nature and scope of regulatory measures that are ultimately adopted, they could (in addition to having the effects noted above) affect BGL's ability to conduct (or impose limitations on) certain types of activities, its ability to attract and retain talent (particularly in its investment banking and financing businesses) and more generally its competitiveness and profitability, which would in turn have an adverse effect on its business, financial condition, and results of operations. Finally, it is difficult to predict what impact these measures might have on financial market conditions. It is conceivable that they could trigger or exacerbate future financial crises, particularly if they required significantly enhanced disclosure of risks or problem loan exposures that could be misinterpreted by

investors, hence heightening their concern about banks and therefore restricting their sources of financing.

**(c) *The soundness and conduct of other financial institutions and market participants could adversely affect BGL.***

BGL's ability to engage in funding, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumors or questions about, one or more financial services institutions, or the financial services industry generally, have led to market-wide liquidity problems and could lead to further losses or defaults. BGL has exposure to many counterparties in the financial industry, directly and indirectly, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients, with which it regularly executes transactions. Many of these transactions expose BGL to credit risk in the event of default of a group of BGL's counterparties or clients. In addition, BGL's credit risk may be exacerbated when the collateral held by it cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to BGL.

In addition, misconduct by financial market participants can have a material adverse effect on financial institutions due to the interrelated nature of the financial markets. There can be no assurance that any losses resulting from the risks summarized above will not materially and adversely affect BGL's results of operations.

**(d) *BGL may incur significant losses on its trading and investment activities due to market fluctuations and volatility.***

BGL maintains trading and investment positions in the debt, currency, commodity and equity markets, and in private equity, property and other assets. These positions could be adversely affected by volatility in financial and other markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. The capital and credit markets have been experiencing unprecedented volatility and disruption since mid-2007 and particularly since the bankruptcy filing of Lehman Brothers in mid-September 2008. There can be no assurance that this extreme volatility and market disruption will not re-occur in the near future but BGL has taken action, where possible, to decrease the trading exposure and to decrease the size of the potential losses on its trading activities as a result. Volatility trends (or other trends in parameters that are sensitive to market fluctuations such as correlations) that prove substantially different from BGL's expectations may lead to losses relating to a broad range of other trading and hedging products BGL uses, including swaps, forwards and futures, options and structured products.

To the extent that BGL owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that BGL has sold assets that it does not own, or has net short positions, in any of those markets, a market upturn could expose it to potentially unlimited losses as it attempts to cover its net short positions by acquiring assets in a rising market. BGL may from time to time have a trading strategy of holding a long position in one asset and a short position in another, from which it expects to earn net revenues based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that BGL did not anticipate or against which it is not hedged, BGL might realize a loss on those paired positions. Such losses, if significant, could adversely affect BGL's results of operations and financial condition.

- (e) ***A substantial increase in new provisions or a shortfall in the level of previously recorded provisions could adversely affect BGL's results of operations and financial condition.***

In connection with its lending activities, BGL regularly establishes provisions for loan losses. BGL's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans. Although BGL uses its best efforts to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of increases in non-performing assets or for other reasons, as was the case in the second half of 2008 and throughout 2009. Any significant increase in provisions for loan losses or a significant change in BGL's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on BGL's results of operations and financial condition.

- (f) ***BGL may generate lower revenues from brokerage and other commission and fee-based businesses during market downturns.***

Market downturn can lead to a decline in the volume of transactions that BGL executes for its clients and, therefore, to a decline in its net banking income from this activity. In addition, because the fees that BGL charges for managing its clients' portfolios are in many cases based on the value or on the performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues BGL receives from its asset management, equity derivatives and private banking businesses. Even in the absence of a market downturn, below-market performance by BGL's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues BGL receives from its asset management business.

- (g) ***BGL's hedging strategies may not prevent losses.***

If any of the variety of instruments and strategies that BGL uses to hedge its exposure to various types of risk in its businesses is not effective, BGL may incur losses. Many of its strategies are based on historical trading patterns and correlations. However, the hedging strategies may not protect against all future risks or may not be fully effective in mitigating BGL's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of BGL's hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in BGL's reported earnings.

- (h) ***Significant interest rate changes could adversely affect BGL's net banking income or profitability.***

The amount of net interest income earned by BGL during any given period significantly affects its overall net banking income and profitability for that period. Interest rates are sensitive to many factors beyond BGL's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in BGL's net interest income from its lending activities. In addition, maturity mismatches and increases in the interest rates relating to BGL's short-term financing may adversely affect BGL's profitability.

- (i) ***BGL's business is exposed to liquidity risks.***

Liquidity risk is inherent in much of BGL's business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets, such as privately placed loans, mortgage loans, real estate and limited partnership interests, have low liquidity. Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of BGL's banking, or other activities, BGL requires significant amounts of cash on short notice in excess of anticipated cash requirements, BGL may have difficulty selling these investments at attractive prices, in a timely manner, or both.

Any downgrade in BGL's ratings may increase BGL's borrowing costs, limit BGL's access to capital markets and adversely affect BGL's ability to sell or market BGL's products, engage in business transactions — particularly longer term and derivatives transactions — and retain BGL's current customers. This, in turn, could reduce BGL's liquidity and have an adverse effect on BGL's operating results and financial condition.

- (j) ***BGL's risk management methods may leave BGL exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.***

BGL devotes significant resources to developing risk management policies, procedures and assessment methods for BGL's banking and asset management businesses. BGL uses a sophisticated value-at-risk (VaR) model, duration analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, BGL's risk management techniques and strategies may not be fully effective in mitigating BGL's risk exposure in all economic market environments or against all types of risk, including risks that BGL fails to identify or anticipate. Some of BGL's qualitative tools and metrics for managing risk are based upon use of observed historical market behaviour. BGL applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. BGL's losses thus could be significantly greater than BGL's measures would indicate. In addition, BGL's quantified modeling does not take all risks into account. BGL's more qualitative approach to managing risks takes into account a broader set of risks, but is less precise than quantified modeling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in BGL's banking and asset management businesses.

- (k) ***While each of BGL's businesses manages its operational risks, these risks remain an inherent part of all of BGL's businesses.***

BGL is subject to operational risk because of the uncertainty inherent in all business undertakings and decisions. This risk can be broken down into business risk and event risk.

Business risk is the risk of 'being in business', which affects any enterprise, financial or non-financial. It is the risk of loss due to changes in the competitive environment that damage the business's franchise or operating economics. Typically, the fluctuation originates with variations in volume, pricing or margins against a fixed cost base. Business risk is thus mostly externally driven (by regulatory, fiscal, market and or competition changes, as well as strategic, reputation risks and other related risks).

Event risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal and compliance risk. Event risk is often internally driven (internal and external fraud involving employees, clients, products and business practices, as well as technological and infrastructure failures and other related malfunctions) and can be limited through management processes and controls.

BGL attempts to keep these risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of its business, the markets and the regulatory environments in which BGL operates. While these control measures mitigate operational risks they do not eliminate them.

**(l) *BGL has significant counterparty risk exposure and exposure to systemic risks.***

BGL's business is subject to general credit risks, including credit risks of borrowers and other counterparties. Third parties that owe BGL money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities BGL holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to BGL due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

In addition, in the past, the general credit environment has been adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom BGL interacts on a daily basis, and could have an adverse effect on BGL's business.

**(m) *BGL's competitive position could be harmed if its reputation is damaged.***

In the highly competitive environment arising from globalization and convergence in the financial services industry, a reputation for financial strength and integrity is critical to BGL's ability to attract and retain customers. BGL's reputation could be harmed if it fails to adequately promote and market its products and services. BGL's reputation could also be damaged if, as it increases its client base and the scale of its businesses, BGL's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address conflicts of interest properly. At the same time, BGL's reputation could be damaged also by other compliance risks, including but not limited to, employee misconduct, misconduct by market participants or funds to which BGL is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action. The loss of business that could result from damage to BGL's reputation could have an adverse effect on its results of operations and financial position.

**(n) *Catastrophic events, terrorist attacks and other acts of war could have a negative impact on BGL's business and results.***

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which BGL operates and, more specifically, on BGL's business and results in ways that cannot be predicted.

**(o) *An interruption in or a breach of BGL's information systems may result in lost business and other losses.***

As with most other banks, BGL relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in BGL's customer relationship management, general ledger,

deposit, servicing and/or loan organization systems. BGL cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on BGL's financial condition and results of operations.

***(p) BGL results of operations can be adversely affected by significant adverse regulatory developments.***

BGL conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations in the European Union and the other regions in which BGL does business. The timing and form of future changes in regulation are unpredictable and beyond BGL's control, and changes made could materially adversely affect BGL's business, the products and services BGL offers or the value of its assets or extent of its liabilities.

***(q) There can be no assurance that legislative action and other measures taken by governments and regulators in Luxembourg or globally will fully and promptly stabilize the financial system, and BGL may be adversely affected by measures taken in connection with such legislation.***

In response to the financial crisis, governments and regulators have enacted legislation and taken measures to help stabilize the financial system and increase the flow of credit to the economy. These measures have included the purchase or guarantee of distressed or illiquid assets; recapitalization through the purchase of securities issued by financial institutions (including ordinary shares, preferred shares, or hybrid or quasi-equity instruments); government guarantees of debt issued by financial institutions; and government-sponsored mergers and acquisitions of and divestments by financial institutions.

In addition to the measures described above, which were taken or proposed specifically in response to the financial crisis, BGL is exposed to the risk of legislative or regulatory changes in all of the countries in which it operates, including, but not limited to, the following:

- monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investors' decisions, particularly in the markets in which BGL operates;
- general changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable capital adequacy and liquidity frameworks;
- changes in tax legislation or the application thereof;
- changes in the competitive environment and prices;
- changes in accounting norms;
- changes in financial reporting requirements; and
- expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank, and have an adverse effect on its business, financial condition and results of operations.

**(r) *BGL's business is sensitive to changes in governmental policies and international economic conditions that could limit its operating flexibility and reduce its profitability.***

BGL's business and results of operations may be materially affected by market fluctuations and by economic factors, including governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, trade regulations, social or political instability, diplomatic relations, international conflicts and other factors that could limit its operating flexibility and reduce BGL's profitability. In addition, results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political, economic and market conditions; the availability and cost of capital; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation; and investor sentiment and confidence in the financial markets. In addition, there has been a heightened level of legislative, legal and regulatory developments related to the financial services industry in the European Union and elsewhere that potentially could increase costs, thereby affecting BGL's future results of operations. Such factors may also have an impact on BGL's ability to achieve its strategic objectives.

In addition, there is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in Luxembourg and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond BGL's control but could have an adverse impact on BGL's businesses and earnings.

In the European Union, these regulatory actions included an inquiry into retail banking in all of the Member States by the European Commission's Directorate General for Competition. The inquiry examined retail banking in Europe generally. On 31 January 2007, the European Commission announced that barriers to competition in certain areas of retail banking, payment cards and payment systems in the European Union had been identified. The European Commission indicated that it will use its powers to address these barriers and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an adverse impact on BGL's payment cards and payment systems businesses and on its retail banking activities in the European Union countries in which it operates.

**(s) *Litigation or other proceedings or actions may adversely affect BGL's business, financial condition and results of operations.***

BGL's business is subject to the risk of litigation by customers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect BGL's ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of BGL's services, regardless of whether the allegations are valid or whether BGL is ultimately found liable. As a result, the possibility cannot be ruled out that the outcome of such litigations or investigations may adversely affect BGL's business, financial condition and results of operations.

In particular, several shareholders and groups representing shareholders of Ageas SA/NV and Ageas N.V. (previously respectively Fortis SA/NV and Fortis N.V.) have initiated

proceedings in Belgium and in The Netherlands against, amongst others, BNP Paribas Fortis SA/NV in connection with the restructuring of BNP Paribas Fortis SA/NV end of September and beginning October 2008. Moreover, other litigations or investigations are pending to which BGL is not a party at this moment.

**(t) *Fair value accounting and use of estimates***

According to BGL's valuation rules financial assets can be carried at fair value through profit or loss. Concerned assets include financial assets held for trading, including non-cash flow hedging derivatives, and financial assets that BGL has irrevocably designated to be held at fair value through profit or loss ('fair value option'). The fair value of a financial instrument is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows, and take into consideration, where applicable, model risks. Such techniques include market prices of comparable investments, discounted cash flows, option pricing models and market multiples valuation methods. In the rare case where it is not possible to determine the fair value of a financial instrument, it is accounted for at cost. The effect of changing the assumptions for those financial instruments for which the fair values are measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs may have a material adverse effect on BGL's earnings.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying these accounting policies. Actual results may differ from those estimates and judgmental decisions.

Financial institutions may use different accounting categorisations for the same or similar financial assets due to their different intentions regarding those assets. In determining fair value of financial instruments, different financial institutions may use different valuation techniques, assumptions, judgments and estimates which may result in lower or higher fair values for such financial instruments.

**(u) *Risks and uncertainties connected to the integration of the operations of BGL following its acquisition by BNP Paribas***

The integration of the operations of BGL following its acquisition by BNP Paribas is ongoing. It is a process that is complex, expensive and that presents a number of challenges for the management of BGL and BNP Paribas, its staff and potentially its customers. Although the integration is currently achieving all the foreseen objectives, the integration may not be able to achieve the anticipated synergies or other expected benefits of the acquisition. The expected business growth opportunities, revenue benefits, cost synergies and other operational efficiencies and other benefits expected from the integration may not develop or may be delayed. To the extent that higher integration costs are incurred or lower revenue benefits or fewer cost savings are achieved than was expected, BNP Paribas' and BGL's operating results, financial conditions and prospects and share price may suffer.

While the legal acquisition has already occurred, the technical integration of BGL and BNP Paribas, including the integration of the banks' IT systems and other processes is ongoing and is expected to take some time to be fully completed. The potential for future growth of the integrated entity will depend on a number of factors, including the ability of BGL and BNP Paribas to integrate the operating systems, achieve synergies in a timely manner and control costs.

Challenges may also be faced with respect to obtaining required approvals of various regulatory agencies, retaining key employees, redeploying resources in different areas of operations to improve efficiency, unifying financial reporting and internal control procedures, minimising diversion of management attention from ongoing business concerns, addressing differences between BGL's and BNP Paribas' business culture, processes, controls, procedures, systems, accounting practices and implementation of accounting standards.

(v) ***A deterioration of the credit rating of BNP Paribas of its debt quality could adversely affect BGL***

As part of the BNP Paribas Group, BGL can be highly sensitive to a downgrade by rating agencies of the rating of the parent company of the BNP Paribas Group or a deterioration of its debt quality. On 13 May 2009, BNP Paribas took control of BGL via BNP Paribas Fortis SA/NV, of which BNP Paribas owns 74.93 per cent. of its share capital. BNP Paribas is now the major shareholder of BGL with a 65.96 per cent. interest.

## DESCRIPTION OF BGL BNP PARIBAS

### 1. Persons Responsible

BGL accepts responsibility for the information given in this Registration Document. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Registration Document is in accordance with the facts and contains no omission likely to affect its import.

### 2. Statutory Auditors

The financial statements of the Issuer for the years ended 31 December 2011 and 31 December 2012 have been audited, without qualification and in accordance with international standards on auditing, by PricewaterhouseCoopers, Société coopérative (formerly PricewaterhouseCoopers S.à r.l.), 400, Route d'Esch, L-1014 Luxembourg, who are members of the *Institut des Réviseurs d'Entreprises*, Luxembourg.

### 3. Risk factors

An investment in notes involves certain risks. Prospective investors should carefully consider the information set forth under the section entitled "Risk Factors" in this Registration Document regarding the factors that may affect the ability of BGL BNP Paribas to fulfil its obligations under the notes.

### 4. Information about the Issuer

The legal and commercial name of the Issuer is BGL BNP Paribas.

The Issuer was founded as a company under Belgian law on 29 September 1919 and was incorporated under the laws of the Grand Duchy of Luxembourg as a limited liability company (société anonyme) on 21 June 1935. The Issuer is registered with the *Registre du Commerce et des Sociétés de Luxembourg* under the number B 6481. It is incorporated for a period of unlimited duration. The Articles of Association of the Issuer have been amended several times, most recently by notarial deed in Luxembourg on 11 June 2009.

The Issuer's registered office is at 50, avenue J.F. Kennedy, L-2951 Luxembourg and its telephone number is +352 4242-1.

### 5. Business Overview

Founded in 1919 under the name "Banque Générale du Luxembourg", BGL BNP Paribas ranks among the leading banks on the Luxembourg financial market place. It has made a significant contribution to the country's emergence as a major international financial centre and is deeply rooted in Luxembourg's economic, cultural, sporting and social life.

As a partner with a longstanding commitment to the national economy, BGL BNP Paribas offers the widest range of products on the market not only for individuals but also for professional and institutional clients. BGL BNP Paribas is Luxembourg's number-one provider of banking services to professionals and small- and medium-sized companies<sup>1</sup>, and

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<sup>1</sup> ILRS Survey, October 2012.

number two in services for individuals resident in Luxembourg<sup>2</sup>. It is also the undisputed leader in bancassurance, providing combined offerings of insurance and banking services.

Following the merger of BNP Paribas Luxembourg into BGL BNP Paribas effective on 1 October, 2010, BGL BNP Paribas, together with the other BNP Paribas group entities is Luxembourg's number-one employer in the financial sector and the second largest employer in the private sector as a whole, counting 4,000 staff members.

BNP Paribas has a presence in 80 countries with nearly 200,000 employees, including more than 150,000 in Europe.<sup>3</sup> It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg).

#### *Activities*

The Issuer is active in the following areas:

- Retail Banking (*Banque de détail et des entreprises Luxembourg*)
- Investment Solutions including, *inter alia*, Wealth Management and Personal Investors
- Corporate and Investment Banking

#### *Retail Banking*

Through its domestic retail network of 38 branches, the Issuer provides banking and insurance services to retail customers – on the domestic market - individuals, the self-employed, independent professionals and businesses.

The Issuer's commercial banking operations cover Luxembourg and Germany through its Business Centers in Trier and Saarbrücken. It offers comprehensive banking as well as cross-border products and services.

#### *Wealth Management*

Wealth Management offers domestic and international clients a full range of customized investment and financial engineering solutions.

#### *Personal Investors*

Personal Investors is a provider of on-line services to meet the investment needs of international clients. Most of the services is also offered to retail clients, thus constituting a unique offer on the Luxembourg market.

#### *Corporate and Investment Banking/ Treasury*

Corporate and Investment Banking/Treasury offers a full range of products and services extending from fixed income, equity and derivatives, structured products, treasury, trading and sales, structured capital markets, optimized structured leasing and equity forward trading. In addition, Financial Institutions Group (FIG) is responsible for the global relationship management of institutional clients in Luxembourg.

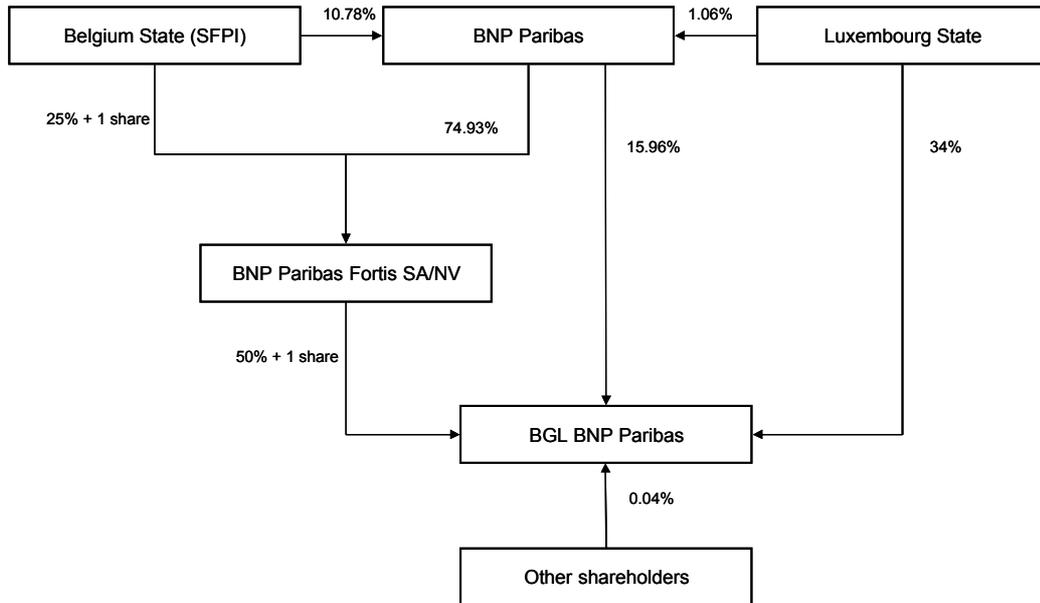
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<sup>2</sup> ILRS Survey, October 2012.

<sup>3</sup> [www.bnpparibas.com](http://www.bnpparibas.com)

## 6. Shareholder Structure

As at the date of this Registration Document, the following diagram summarizes the structure of the ownership of the share capital of BGL BNP Paribas:



## 7. Trend information

### 7.1 Material adverse change

There has been no material adverse change in the prospects of BGL BNP Paribas since 31 December 2012.

### 7.2 Trends

Save as disclosed in the Annual Report 2012 incorporated by reference in this Registration Document, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on BGL BNP Paribas' prospects for the current financial year.

## 8. Profit forecasts or estimates

The Registration Document does not contain any profit forecast or profit estimate.

## 9. Administrative, Management and Supervisory Bodies

### 9.1 Board of Directors and Management Board

As at the date of this Registration Document, the management of the Issuer was comprised of the following persons (and their principal outside activity):

#### The Board of Directors

Georges Heinrich  
Director of Treasury, Ministry of Finance, Luxembourg  
Chairman

François Villeroy De Galhau  
Member of the Executive Committee of BNP Paribas, Paris  
Vice-Chairman

HRH Prince Guillaume of Luxembourg, Luxembourg

Director

Marc Assa  
Economist, Luxembourg  
Director

Gilbert Beffort  
Staff representative, Luxembourg  
Director

Jean Clamon  
Head of Group Conformité, Paris  
Director

Jacques d'Estais  
Member of the Executive Committee of BNP Paribas, Paris  
Director

Gabriel Di Letizia  
Staff representative, Luxembourg  
Director

Camille Fohl  
BNP Paribas Group responsible for Germany and Chairman of the Group Management Board  
for Germany  
Director

Gérard Gil  
Deputy Financial Director, Paris  
Director

Jean-Claude Gilbertz  
Staff representative, Luxembourg  
Director

Pierre Gramegna  
Lawyer and Economist, Luxembourg  
Director

Claude Heirend  
Staff representative, Luxembourg  
Director

Maxime Jadot  
Chief Executive Officer of BNP Paribas Fortis SA/NV, Brussels  
Director

Carlo Krier  
Staff representative, Luxembourg  
Director

Vincent Lecomte  
Co-Head of BNP Paribas Wealth Management, Paris  
Director

Corinne Ludes  
Staff representative, Luxembourg

Director

Thomas Mennicken

Chief Risk Officer of BNP Paribas Fortis SA/NV, Brussels

Director

Jean Meyer

Doctor of Law, attorney, Luxembourg

Director

Norbert Roos

Staff representative, Luxembourg

Director

Jean-Louis Siweck,

Master of Arts, Luxembourg

Director

Denise Steinhäuser

Staff representative, Luxembourg

Director

Tom Theves

Chemical Engineer, Luxembourg

Director

Carlo Thill

Chairman of the Management Board of BGL BNP Paribas, Luxembourg

Director

Michel Wurth

Economist, Luxembourg

Director

### **The Management Board**

Carlo Thill

Chairman

Dominique Goulem

Treasury

Member

Luc Henrard

Chief Risk Officer

Member

Anne Kayser

Compliance

Member

Marc Lenert

ITP and Operations

Member

Carlo Lessel

Chief Financial Officer

Member

Hubert Musseau  
Wealth Management  
Member

Kik Schneider  
Retail Banking  
Member

Thierry Schuman  
Human Resources  
Member

For the purpose of this Registration Document the address of the Directors and the members of the Management Board is 50, avenue J.F. Kennedy, L-2951 Luxembourg.

The members of the Management Board work for the Issuer. In addition to their Luxembourg-based duties, under the practices of the BNP Paribas group some members of the Management Board also have high-level responsibilities with business areas of BNP Paribas and its affiliates.

## **9.2 Administrative, Management and Supervisory bodies - conflicts of interests**

No conflicts of interest exist between any duties to the issuing entity of the persons referred to in paragraph 9.1 and their private interests and/or other duties.

## **10. Major Shareholders**

As at the date of this Registration Document, the major shareholders of BGL BNP Paribas consist of:

- The Grand Duchy of Luxembourg holding 34 per cent. of the share capital of BGL BNP Paribas; and
- BNP Paribas holding directly 15.96 per cent. and indirectly 50 per cent. + 1 share, via BNP Paribas Fortis SA/NV (of which BNP Paribas owns 74.93 per cent. of the share capital), of the share capital of BGL BNP Paribas.

The Issuer is managed by a Board of Directors and a Management Board. The Board of Directors is composed by mainly non executive directors and a certain number of staff representatives. As a credit institution, the Issuer is regulated by the CSSF.

## **11. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses**

### **11.1 Financial statements**

The Issuer's financial statements incorporated by reference in this Registration Document are produced on a consolidated basis.

The financial statements of the Issuer are consolidated into the financial statements of BNP Paribas Fortis SA/NV. The consolidated financial statements of BNP Paribas Fortis SA/NV are available at its registered office: Montagne du Parc 3, 1000 Brussels, Belgium.

### **11.2 Auditing of historical annual financial information**

The financial statements of the Issuer for the years ending 31 December 2011 and 31 December 2012 have been audited without qualification by PricewaterhouseCoopers, Société

coopérative (formerly PricewaterhouseCoopers S.à r.l.), 400, Route d'Esch, L-1014 Luxembourg.

The Issuer also publishes an abridged form of non-consolidated accounts which are included in its annual reports.

No other information in this Registration Document has been audited by the independent auditors.

**11.3 Age of latest financial information**

The latest audited financial information included is the financial information for the financial year ended 31 December 2012.

**11.4 Interim Financial Information**

The Issuer published its unaudited interim financial statements for the six month period ended 30 June 2012.

**11.5 Legal and arbitration proceedings**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering 12 months prior to the date of this Registration Document which may have, or have had in the recent past significant effects on the Issuer's financial position or profitability.

**11.6 Significant change in the Issuer's financial or trading position**

There has been no significant change in the financial or trading position of the Issuer since 31 December 2012.

**12. Material Contracts**

The Issuer has not entered into any material contracts outside the scope of its ordinary course of business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of notes.

**13. Third party Information and Statement by Experts and Declarations of any Interest**

This Registration Document does not contain any third party information other than those Audit Reports which have been incorporated by reference.

**14. Documents available**

For the period of 12 months following the date of this Registration Document, copies of the following documents may, when published, be obtained free of charge from the registered office of the Issuer at 50, avenue J.F. Kennedy, L-2951 Luxembourg and BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent.

- (i) the constitutional documents (in French) of the Issuer (being the memorandum and the articles of association);
- (ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2011 and 31 December 2012 (with an English translation thereof when available); and
- (iii) the Registration Document.

**15. Recent Developments**

In 2012, BGL BNP Paribas made public announcements (each a "**Press Release**") which included the following:

- BGL BNP Paribas S.A. increased its participation from 33.33% to 50% plus 1 share in BNP Paribas Leasing Solutions S.A., the holding company that manages the BNP Paribas Group's leasing business.
- BGL BNP Paribas S.A. acquired 100% of the share capital of BNP Paribas Lease Group Luxembourg S.A.
- BGL BNP Paribas acquired BGL BNP Paribas Factor S.A. (formerly Fortis Commercial Finance S.A.), the only operating entity carrying on a factoring business in Luxembourg.

**THE ISSUER**

**BGL BNP Paribas**  
50, avenue J.F. Kennedy  
L-2951 Luxembourg

**AUDITOR**

**PricewaterhouseCoopers, Société coopérative**  
400, Route d'Esch  
L-1014 Luxembourg