2012 Annual Report
BNP Paribas (Suisse) SA

BNP PARIBAS | The bank for a changing world

This is an English translation of the original document in French
which may be obtained from the Bank.
in the event of a discrepancy between the English and French versions,
the French one shall prevail.

BNP Paribas (Suisse) SA
2012 Annual Report

Contents

BNP Paribas (Suisse) SA
A universal bank

BNP Paribas (Suisse) SA is one of the Group's major international operations, with over 1,700 employees. Based in Geneva since 1872 and with branches in Zurich, Basel and Lugano, the Bank is a leading foreign bank in Switzerland thanks to its competitiveness and expertise in commodities financing, corporate and institutional client services and wealth management.

The corporate and investment banking business (CIB) plays an important role with Swiss and foreign corporate clients and major Swiss institutional clients owing to its size, extensive experience and ability to call on a network with global expertise in all areas of banking. Indeed, BNP Paribas (Suisse) SA is the leading foreign bank in Swiss franc bond issues.

Closely involved with Geneva's boom as an international centre for commodities financing, BNP Paribas (Suisse) SA is a world leader in this area and offers a full range of financing services for commodities processing, transportation and distribution.

Through its historical presence in Switzerland, the Group also has a long tradition in wealth management and provides private investors with extensive expertise in financial management and wealth planning. Investing for the long-term, preserving capital and optimising returns are the key principles underlying BNP Paribas Wealth Management's philosophy.

Driven by a strong tradition in both personal and business banking, which has its roots in our history of over 140 years in Switzerland, we are also "the bank for a changing world". Our number one asset is the confidence that our clients place in us, which has been built up over time. To protect this asset, we have therefore made four strong commitments:

- Remaining true to our primary mission: long-term service to our clients.
- Being prepared to take risks, while ensuring close risk control.
- Following a strict business ethic.
- Being a responsible bank.

BNP Paribas (Suisse) SA
A responsible bank

BNP Paribas (Suisse) SA meets its economic responsibilities by financing its clients' plans and projects, but it also goes beyond that and recognises that it has responsibilities in three other areas, in accordance with the Group Charter*:

- Employer responsibility, which means treating all our employees in a fair and loyal manner. We have made a strong, conscious commitment to diversity in all its forms. Our employment policy puts a strong priority on internal job mobility and training.
- Civic responsibility, helping to combat social exclusion and promoting education and culture. Our commitment to society is also reflected in the corporate philanthropy work done by the BNP Paribas Switzerland Foundation in the areas of culture, health, outreach and education.
- Environmental responsibility. We carefully monitor the environmental impacts of both our banking activities, through detailed policies in risk areas, and our own operations.

Guided by the core values of commitment, ambition, creativity and responsiveness, managed in accordance with a clear set of management principles - client focus, risk-aware entrepreneurship, people care and leading by example - and inspired in their approach to business ethics by the Group's code of conduct, BNP Paribas people in Switzerland and around the world strive each day to ensure successful outcomes for all those who place their trust in the Bank and for the good of society. We are proud to be a responsible bank and we take great pride in our profession. It is our core mission.

*The full text of the Responsibility Charter is available on our website at bnpparibas.ch


BNP PARIBAS

Message from the Chairman of the Board of Directors and the Chief Executive Officer

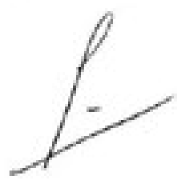
BNP Paribas (Suisse) SA reported 2012 consolidated revenues of CHF 1,031 million, up 2% compared with 2011 amid a complex international economic environment.

Revenues from Corporate & Investment Banking declined with the reduction in total assets to CHF 30.2 billion as part of the overall plan to cut the size of the BNP Paribas Group's balance sheet. A tight grip on operating costs, owing chiefly to the business adaptation plans, and a lower cost of risk, together with non-recurring gains, underpinned consolidated pre-tax earnings, which totalled CHF 413 million in 2012. The capital adequacy ratio held up at a high level at 31 December 2012.

BNP Paribas (Suisse) SA has continued to pursue a diversified business model. It remains one of the leading players in commodities financing and retained its position as the number three bank and leading foreign bank in Swiss franc bond issues. In addition, its Wealth Management business has gone from strength to strength, with brisk net asset inflows, particularly in emerging markets.

Georges Chodron de Courcel, Chairman of the Board of Directors, commented: "BNP Paribas (Suisse) SA's 2012 results demonstrated impressive resilience, in line with the performance of the BNP Paribas Group, which again illustrated its robustness in a challenging economic environment."

Pascal Boris, Chief Executive Officer, added: "The Bank's financial strength and the quality of and commitment shown by our teams to our clients represent genuine assets that will no doubt help us rise to the challenges of 2013."



Georges Chodron de Courcel
Chairman of the Board of Directors

Pascal Boris
Chief Executive Officer

Board of Directors
As of 31 december 2012

Chairman	Georges CHODRON de COURCEL *	Chief Operating Officer, BNP Paribas, Paris
Vice-Chairman	Michel HALPERIN * • +	Attorney-at-law, Geneva
Members of the Board	Jean CLAMON •	Chief Executive Officer, Head of Compliance, BNP Paribas, Paris
	Jacques D'ESTAIS *	Head of Investment Solutions, BNP Paribas, Paris
	Ulrich GYGI +	Chairman of the Board of Directors, Chemins de fer fédéraux suisses CFF, Bern
	Marina MASONI +	Attorney-at-law, Lugano
	Bruno MEIER + *	Director, Founex
	Christophe R. GAUTIER +	Director, Zumikon
	Michel PEBEREAU	Honorary Chairman, BNP Paribas, Paris
	Yves PERBEN * +	Director, Corpofina, Genève
	Dominique REMY *	Head of CBE BNP Paribas Fortis, Bruxelles
	Peter G. SULZER • +	Director, Zurich
Secretary of the Board	Philippe BERTA	Head of Legal
Secretary of the Audit Committee	Philippe BERTA	Head of Legal
Internal Audit	Cédric PERRUCHOT	Head of Internal Audit
Statutory Auditors	Deloitte SA	

* Members of the Board Committee

• Members of the Audit Committee

+ Directors

(independent within the meaning of FiNMA 2008/24)

Executive Management As of 31 december 2012

Executive Management	Pascal BORIS	Chief Executive Officer
	Philippe DE GENTILE	General Manager
	Hans-Juergen KOCH	General Manager
	Patrick VOEGELI	General Manager
	Paul PERRAUDIN	Member of the Executive Management
	Igor JOLY	Member of the Executive Management
	Pierre VRIELINCK	Member of the Executive Management
	Christophe CANTALA	Secretary


BNP PARIBAS

Management Report

ECONOMIC ENVIRONMENT AND MARKET TRENDS

In 2012, world economic growth continued to slow, dipping to 3.2% from 3.9% in the previous year. This trend affected all developed countries, with the exception of the United States, where the economy expanded by 2.3% compared with 1.8% in 2011. And while growth in the emerging and developing countries remained high, it fell to 7.8% in 2012 from 9.3% in 2011 in China and to 4.5% from 7.9% in India over the same period.

In the financial markets, the rebound that began at the end of 2011 continued in the first quarter of 2012. Until March, investor enthusiasm was fuelled by rather encouraging news about US growth and even more by the assurance that liquidity provided by the central banks would not dry up. Central bank liquidity was a dominant theme on the exchanges throughout the year and contributed to the solid performance of equities.

In the spring, this trend was threatened to some extent by renewed concerns over the health of the world economy and over the European sovereign debt crisis (focused on Spain and Greece), which dragged down the financial markets (peripheral country bonds and equities) until July. These factors induced the central banks to renew their commitment to support economic activity and to ensure normal operation of the financial markets. Their statements, culminating in the announcement of new quantitative easing measures in September, reassured investors and equities did well over the summer. Over the full year, the equity markets performed handsomely, with gains of 13.8% for the Eurostoxx 50 and 13.4% for the S&P 500, while bond yields contracted sharply.

In the foreign exchange markets, in 2012 the euro appreciated slightly as the sovereign crisis eased while the Japanese yen lost significant ground.

Against this difficult economic backdrop, in 2012, the BNP Paribas Group reported net income Group share of EUR 6.6 billion, a rise of 8.3% on the EUR 6.0 billion registered in 2011, owing to the broad diversification of its business sectors. The Group's adaptation plan to meet Basel III regulations is ahead of schedule, with a common equity Tier 1 ratio of 9.9% at 31 December 2012. CIB reduced its US dollar liquidity needs by USD 65 billion and its risk-weighted assets by EUR 62 billion.

The BNP Paribas Group's excellent performance was recognised by the prestigious «2012 Bank of the Year» award from International Financing Review. This award underscores the strength of BNP Paribas' diversified, balanced business model as well as the bank's stability. This model is based on a strong retail banking foundation spanning Europe, the USA and emerging markets and a corporate and investment bank with leading positions in many segments, including capital markets, advisory, structured and specialised finance, equity derivatives, international trade finance and cash management. BNP Paribas also boasts well established franchises in private banking, asset management, securities services, insurance and real estate – as part of its Investment Solutions business. Commitment to clients and a responsible ethos are integral to the organisation: BNP Paribas was recently named the number one global bank in the Vigeo World 120 Corporate and Social Responsibility Index.

In this unfavourable international environment, which was compounded by additional pressure on Switzerland (actions initiated by the United States against eleven Swiss banks, Rubik tax agreements with Austria and the United Kingdom) and a persistently strong Swiss franc, BNP Paribas (Suisse) generated consolidated revenues of CHF 1,031 million, a rise of 2.0% by comparison with 2011. Consolidated pre-tax earnings were stable year-on-year, at CHF 412.8 million.

BNP PARIBAS (SUISSE) SA GROUP

In corporate and investment banking, the Bank's activities include structured finance - particularly commodities and export financing - primary market issuance and placement, and proprietary trading in the currency, fixed-income and equity derivative markets.

Wealth Management focuses exclusively on international clients with substantial assets, providing personalised services such as investment advice, discretionary management and wealth planning.

BNP Paribas (Suisse) SA is in charge of cash management for all banking businesses and entities in its scope of consolidation.

It has branches in Basel, Lugano, Zurich and Guernsey and Jersey and subsidiaries in Monaco and the United Arab Emirates. The BNP Paribas (Suisse) SA, Jersey Branch was created on 2 November 2012. It has taken over the fiduciary deposits business of the Guernsey branch office and is also developing wealth management operations.

CONSOLIDATED FINANCIAL STATEMENTS

Total consolidated assets amounted to CHF 30.2 billion, down CHF 3.6 billion or 10.6%.

On the assets side, money market instruments fell by CHF 2.1 billion compared with 2011 to CHF 5.0 billion, due to a CHF 2.0 billion decrease in certificates of deposits purchased from BNP Paribas SA Paris. Due from banks, mainly from the Group, declined by CHF 3.4 billion to CHF 4.9 billion. Due from customers edged up by CHF 0.8 billion (6.3%) to CHF 13.1 billion, with corporate and investment banking and wealth management each contributing half of the increase. Mortgage loans fell by CHF 0.1 billion to CHF 0.9 billion. Securities held for trading rose by CHF 0.4 billion to CHF 1.7 billion in 2012, owing to an increase in the equities portfolio of the equity derivatives business. Non-current financial assets fell by CHF 0.6 billion to CHF 1.6 billion due to the disposal in November 2012 of Royale Neuve II, a Luxembourg company with share capital of GBP 500 million, acquired in January 2008 as part of the BNP Paribas Group's investment strategy.

On the liabilities side, due to banks stood at CHF 5.2 billion, down CHF 2.6 billion compared with 2011. This should be seen in relation to the decrease in money market instruments and due from banks on the assets side. Customer deposits were stable at CHF 19.9 billion (down CHF 0.8 billion). Consolidated equity amounted to CHF 4.1 billion.

Off-balance sheet items - contingent liabilities, irrevocable commitments and commitments under documentary credits related to commodities financing - amounted to CHF 14.8 billion, down CHF 4.1 billion or 21.6% compared with 2011. Derivative financial instruments fell by CHF 15.9 billion (41.6%) to CHF 22.3 billion.

In the income statement, banking income moved up 2.0% year-on-year to CHF 1,031.1 million. This modest increase is attributable to rises of CHF 58.8 million (12.7%) in net interest income, CHF 14.8 million (116.5%) in gains on proprietary trading and of CHF 6.2 million (14.0%) in other ordinary banking income, offset by a CHF 59.5 million (12.1%) fall in fee income.

Net interest income of CHF 522 million included CHF 170.2 million of dividends received from non-current financial assets compared with CHF 26.5 million in 2011, or an increase of CHF 143.6 million, primarily due to the contribution from Royale Neuve II.

Gains on proprietary trading amounted to CHF 27.5 million in 2012 (CHF 12.7 million in 2011), from a currency gain of CHF 13.3 million generated on Royale Neuve II and a gain of CHF 14.2 million on equity, bond and currency trading.

Excluding the non-recurring items associated with Royale Neuve II, revenues were 13.9% lower than in 2011. The decline is attributable mainly to corporate and investment banking.

Operating expenses fell by 2.1% year-on-year to CHF 571.8 million in 2012. Employee benefits expenses moved down 3.3% to CHF 395.5 million, mainly as a result of the adaptation plans implemented by the business lines of the BNP Paribas (Suisse) SA Group. Other operating expenses rose by 0.7% to CHF 176.2 million.

As a result of higher income and lower expenses, the operating ratio improved, contracting from 57.8% in 2011 to 55.5% in 2012. Gross operating income came to CHF 459.3 million in 2012 compared with CHF 426.7 million in 2011, an increase of 7.6%.

Value adjustments, provisions and losses were CHF 78.0 million, CHF 29.1 million or 27.2% lower than in 2011.

Non-recurring income amounted to CHF 72.4 million, a fall of CHF 84.8 million by comparison with 2011, attributable primarily to the CHF 68 million in gains on property sales registered during the previous year and to a CHF 12 million fall in provision reversals during the period.

The BNP Paribas (Suisse) SA Group's consolidated pre-tax earnings of CHF 412.8 million in 2012 were stable by comparison with 2011, but included non-recurring items in both years. Excluding Royale Neuve, consolidated pre-tax earnings amounted to CHF 251.4 million in 2012, down CHF 94.5 million (27.3%) by comparison with CHF

345.9 million in 2011 excluding gains on property sales. This decline is explained by the CHF 156.0 million fall in income from the business lines, which was partly offset by CHF 42.9 million in cost reductions achieved primarily through the adaptation plans for the business lines and by a CHF 19.0 million drop in the cost of risk.

The Group's consolidated after-tax earnings came to CHF 332.2 million in 2012 compared with CHF 329.4 million in 2011.

Customer assets moved down 1.6% to CHF 36.8 billion in 2012 from CHF 37.4 billion in 2011. The CHF 0.6 billion decrease was due to a combination of capital outflows (CHF 1.2 billion) and the performance and currency effect (CHF 0.6 billion).

STATUTORY FINANCIAL STATEMENTS

The Bank's total assets stood at CHF 29.5 billion, down CHF 2.8 billion from the previous year.

On the assets side, due from banks and money market instruments amounted to CHF 9.9 billion, a decrease of CHF 4.7 billion. Due from customers and mortgage loans stood at CHF 13.3 billion, a rise of CHF 0.5 billion. Securities held for trading rose by CHF 0.4 billion to CHF 1.7 billion. Non-current financial assets fell by CHF 0.6 billion to CHF 1.6 billion.

On the liabilities side, due to banks amounted to CHF 7.1 billion, down CHF 1.2 billion by comparison with 2011. Of this decline, CHF 805 million is attributable to repayment of all subordinated notes subscribed by BNP Paribas SA, after securing the approval of the FINMA on 4 April 2012. Customer deposits were down CHF 1.4 billion to CHF 17.4 billion. Equity, including reserves for general banking risks, stood at CHF 3.1 billion.

Off-balance sheet items - contingent liabilities, irrevocable commitments and guarantees - totalled CHF 14.7 billion, down CHF 4.1 billion or 21.6%. This decline is to be viewed in relation with the 15.2% fall in volumes of documentary credits in the commodities financing business handled, which amounted to CHF 234.5 billion in 2012 compared with CHF 276.4 billion in 2011.

Net banking income was CHF 997.3 million, up 1.2% on 2011. The CHF 11.7 million increase was due to a CHF 60.4 million (13.5%) increase in net interest income, a CHF 59.4 million (12.7%) decline in fee income, a CHF 13.8 million (137.7%) increase in proprietary trading, and a CHF 3.1 million (5.2%) decrease in other ordinary banking income.

Operating expenses fell by 2.4% to CHF 539.7 million, including CHF 372.5 million in employee benefits expenses (down 4.0%) and CHF 167.2 million in other operating expenses (up 1.4%). The increase in other operating expenses was due mainly to the costs generated by the review of financing transactions of countries placed under embargo by the United States for the period from 2002 to 2009 (CHF 16.0 million in 2012). Excluding these non-recurring expenses, other operating expenses fell by 8.3%. This, combined with the decline in employee benefits expenses, is the result of the adaptation measures undertaken by the Bank's business lines and functions in 2012.

Gross operating income amounted to CHF 457.5 million, a rise of 5.8% compared with 2011.

Value adjustments, provisions and losses decreased by CHF 125.7 million to CHF 156.1 million due to a reduction in the general provision of CHF 95.0 million (CHF 80.0 million in 2012 compared with CHF 175 million in 2011) and provisions for loan losses and other risks of CHF 30.7 million. Following the Swiss Federal Court decision of 30 October 2012, the Bank carried out an estimate of the risk of reimbursement of retrocessions received under discretionary management agreements and recognised a provision of CHF 6.3 million for this purpose.

Non-recurring income amounted to CHF 71.6 million, including CHF 66.3 million in reversals of specific loan loss provisions and provisions for litigation taken in prior years, CHF 1.1 million in recoveries of written-off debts, and CHF 1.4 million in gains on property sales.

Net income for BNP Paribas (Suisse) SA amounted to CHF 274.5 million in 2012 compared with CHF 211.4 million in 2011, an increase of 29.8%.

BASEL II CAPITAL ADEQUACY RATIO

Under the Basel II capital and risk diversification rules, the Bank uses the advanced internal ratings-based approach (A-IRB) to calculate its capital requirements for credit and counterparty risk in the financing businesses, and the standardised approach for other businesses. The standardised approach is used to calculate capital requirements for market risk and the basic indicator approach for operational risk.

FINMA Circular 2011/2 «Capital buffer and capital planning - banks», which came into effect on 1 July 2011, classifies financial institutions into five categories based on various criteria such as total assets, assets under management, privileged deposits and capital requirements to determine the level of capital buffer required under Pillar 2. On these criteria, BNP Paribas (Suisse) SA is classified in category 3, which implies an additional capital buffer of 50% under Pillar 2, or a minimum capital ratio of 12% (8% under Pillar 1 + 50% of 8% under Pillar 2).

At 31 December 2012, the Bank's capital adequacy ratio under Basel II stood at 26.1% compared with 23.0% at 31 December 2011 (not including net income for the year and before appropriation of retained earnings), reflecting a very high level of capital by comparison with regulatory requirements.

In accordance with section 5 of FINMA Circular 2008/22, BNP Paribas (Suisse) SA does not disclose Pillar 3 capital data as similar information to that required in Switzerland is published by the BNP Paribas Group in France (see 2011 annual financial report, chapter 5 on Pillar 3, available at http://invest.bnpparibas.com).

Compensation report

1. Compensation policy Guidelines

REGULATIONS GOVERNING THE COMPENSATION POLICY

The BNP Paribas Group's compensation policy complies with European Directive CRD III and with the decree published by the French Ministry of the Economy and Finance on 13 December 2010. The Group aims to ensure that the behaviour of employees whose activities can have an impact on the firm's risk profile is consistent with its long-term objectives.

BNP Paribas (Suisse) SA's compensation policy is in line with the guidelines set by the BNP Paribas Group. Furthermore, its compensation system is designed to comply with the provisions of FINMA circular 10/1 of 21 October 2009 on the minimum standards for compensation schemes of financial institutions, effective as of 1 January 2011 and applicable in particular to banks with equity of at least CHF 2 billion.

COMPENSATION STRUCTURE

BNP Paribas (Suisse) SA applies the same guidelines on compensation structure and developments as all Group entities. These guidelines meet the Group's risk management objectives and are adjusted to comply with developments in international and/or local regulations, as well as market practices.

BNP Paribas (Suisse) SA's compensation package comprises a fixed salary component and a performance-related component. Each component may represent a different percentage of the total package depending on the business line or function.

More generally and in line with Group practices, BNP Paribas (Suisse) SA's compensation policy is designed to be fair and transparent. These principles are reflected in:

- a single annual compensation review process;
- a strict system of delegation operating in accordance with directives issued at Group level;
- a governance system based on a Compensation Committee, Compliance, Risk and Finance Committee and the involvement of the Board of Directors.

FIXED SALARY

BNP Paribas (Suisse) SA employees receive a basic salary that reflects their level of qualifications and responsibilities, as well as their skills and involvement in their designated tasks. Basic salaries are determined by reference to market levels (local and/or business line).

VARIABLE COMPENSATION

Performance-related compensation is neither guaranteed nor contractual and is set each year in accordance with the Group's financial capacity.

The general guidelines governing the award of individual performance-related compensation are:

- Objective assessment of individual performance giving priority to the best performing employees who have contributed the most to risk management. Performance appraisals are held to communicate targets and assess how well they have been achieved.

- Consistency with market values for equivalent functions, responsibilities and performance.

- Group principles, requiring employees to comply with internal rules and procedures.

Performance-related compensation for employees in the internal control and compliance functions is determined independently from that of the business lines whose activities they control, in a fully objective manner and free of any conflicts of interest.
Performance-related compensation practices for employees involved in activities that can have an impact on the Bank's risk profile evolve in line with new regulations, particularly those issued by FINMA, and have led to:

- Deferral of a proportion of performance-related compensation over a period of three years. Payment of each deferred portion is subject to specific conditions;
- Indexing part of the variable compensation to BNP Paribas's share price in order to align the interests of beneficiaries and shareholders.

THE GLOBAL STOCK INCENTIVE PLAN (GSIP) - STOCK AWARDS

Fixed and performance-related compensation may be supplemented by BNP Paribas stock awards to individuals with the aim of incentivising and retaining high-potential employees and key managers by giving them the opportunity to share in the Group's long-term value creation. This incentive plan is contingent upon the beneficiary's continued employment with the Group over a vesting period of four years. A proportion of the award is also subject to financial performance conditions. Under the 2012 GSIP, no stock options are to be awarded.

	2012 GSIP	2011 GSIP
Stock options		
Number of options awarded		20'880
Number of beneficiaries		19
Accounting value per unit in euros		11,03 - 12,13
Stock awards		
Number of shares awarded	26'860	17'400
Number of beneficiaries	104	102
Accounting value per unit in euros	27.46 - 32.36	45,95

Information about compensation paid by BNP Paribas (Suisse) SA is provided in the table below in accordance with principle no. 9 of FINMA circular 10/1.

	in thousands of CHF		
Information on compensation for the current year	**31.12.2012**	(1)	**31.12.2011**
Total compensation (2)	301'057		309'112
Number of beneficiaries (average)	1'711		1'893
Of which performance-related compensation (3)	53'466		50'365
Of which deferred compensation due (4)	1'976		2'009
Number of beneficiaries	31		21
Deferred compensation still due (5)	**31.12.2012**		**31.12.2011**
	7'721		8'037
Debits and credits made during the year relating to prior years	**31.12.2012**		**31.12.2011**
	-214		-3'554
Benefits paid to the Board of Directors, Senior Management and employees whose activity has a significant impact on the firm's risk profile	**31.12.2012**		**31.12.2011**
Sign-on payments	253		455
Number of beneficiaries	2		2
Severance payments	0		0
Number of beneficiaries	0		0

(1) Data on a consolidated basis. Compensation figures are presented before restructuring costs.
(2) Total compensation is paid in cash and includes fixed and performance-related compensation, overtime, jubilees and retirement bonuses.
(3) Performance-related compensation comprises amounts due in respect of the year and sign-on and severance payments made during the year.
(4) Deferred compensation due is paid in cash over a period of three years and partially indexed to the BNP Paribas share price.
(5) Deferred compensation still due represents the balance to be paid in respect of deferred plans for the three previous years.

2.
Roles and responsibilities in the compensation policy

The Board of Directors of BNP Paribas (Suisse) SA defines the framework and key guidelines of the compensation policy. Implementation of the policy is the responsibility of the Board Committee.

The Board ensures at all times that the compensation systems comply with the BNP Paribas Group's directives and the applicable regulations.

The Board Committee has set up a Compensation Committee and a Compliance, Risk and Finance Committee. The Board Committee approves proposals made by the Compensation Committee.

The Compensation Committee's key responsibilities are:

- To review and make any changes to the compensation strategy and policy applicable generally and/or by business line/function.
- To make proposals on the overall amounts to be allocated to fixed and performance-related compensation plans, generally and by business line/function, and ensure that the compensation systems do not encourage employees to adopt behaviours that are in conflict with the risk management policy.
- To ensure that compensation policies are competitive compared with the market.
- To ensure that the principles of non-discrimination are observed.

Senior Management makes proposals to the Compensation Committee in line with the applicable principles and policies.

The Compliance, Risk and Finance Committee comprises members drawn from the three relevant functions (or representatives appointed by them). Its main responsibility is to analyse information provided by the Human Resources Department and/or senior Management about the Bank's compensation principles and policies. It gives an opinion on the conformity of the compensation policy with the applicable regulations and the Bank's risk management policy.

Lastly, the Internal Audit department verifies, as part of its audit plan, that the compensation policies are implemented in accordance with both internal directives and local and international regulations.


BNP PARIBAS

BNP Paribas (Suisse) SA

Consolidated financial statements at 31 December 2012

BNP Paribas (Suisse) SA

Consolidated balance sheet at 31 December 2012

(with prior year comparative data)
(in CHF)

ASSETS

	31.12.2012	31.12.2011
Cash and cash equivalents	2'132'012'090	233'983'696
Money market instruments	5'012'889'008	7'127'022'276
Due from banks	4'852'911'427	8'298'549'502
Due from customers	13'138'123'429	12'354'507'959
Mortgage loans	882'472'715	1'001'545'898
Securities and precious metals trading portfolio	1'699'798'496	1'261'874'598
Non-current financial assets	1'581'684'234	2'198'029'301
Non-consolidated investments	4'160'694	4'682'222
Property, plant and equipment	164'198'982	174'385'385
Intangible assets	38'353'891	57'307'709
Accruals and prepayments	423'703'798	397'712'523
Other assets	253'560'893	656'574'247
Total assets	**30'183'869'657**	**33'766'175'316**
Total due from non-consolidated investments and significant shareholders	**8'766'714'046**	**13'309'533'827**

BNP Paribas (Suisse) SA

Consolidated balance sheet at 31 December 2012

(with prior year comparative data)
(in CHF)

LIABILITIES AND EQUITY

	31.12.2012	31.12.2011
Money market instruments	607'026	221'340
Due to banks	5'175'250'997	7'814'455'461
Due to customers in the form of savings and investments»	383'941	315'254
Other amounts due to customers	19'875'091'428	20'677'396'243
Accruals and prepayments	383'361'754	348'222'213
Other liabilities	319'888'186	649'547'950
Value adjustments and provisions	354'520'995	321'780'752
Reserves for general banking risks	135'948'560	135'948'560
Share capital	320'270'600	320'270'600
Treasury shares	(95'026)	(95'026)
Additional paid-in capital	2'453'642	2'453'642
Retained earnings	3'283'992'436	3'166'301'601
Net income for the year	332'195'118	329'356'726
Total liabilities and equity	**30'183'869'657**	**33'766'175'316**
Total subordinated liabilities *		**805'000'000**
«Total due to non-consolidated entities and significant shareholders»	**4'453'206'933**	**5'334'685'449**

* All subordinated notes subscribed by BNP Paribas SA were reimbursed after receiving approval from the FINMA on 4 April 2012.

BNP Paribas (Suisse) SA

Consolidated statement of off-balance sheet items at 31 December 2012

(with prior year comparative data)
(in CHF)

	31.12.2012	31.12.2011
Contingent liabilities	10’479’033’082	14’282’163’983
Irrevocable commitments	3’574’911’153	3’516’560’510
Guarantee commitments	738’451’718	1’069’098’548
Derivative financial instruments:		
Contract volumes	22’328’129’930	38’264’216’919
Positive replacement values	186’518’182	558’557’051
Negative replacement values	234’267’270	544’724’163
Fiduciary operations	197’662’933	432’160’281

BNP Paribas (Suisse) SA

Consolidated income statement for the year ended 31 December 2012

(with prior year comparative data)
(in CHF)

	31.12.2012	31.12.2011
Net banking income		
Net interest income		
Interest income	690'159'907	676'644'390
Interest income and dividends from trading portfolios	38'906'326	45'931'665
Interest income and dividends from non-current financial assets	170'159'983	26'529'546
Interest expense	(376'970'766)	(285'677'693)
Sub-total net interest income	522'255'450	463'427'908
Fee income		
Fee income from lending activities	235'709'741	263'308'953
Fee income from trading activities	237'735'890	267'697'126
Fee income from lending activities	18'957'615	19'482'392
Fee expense	(61'552'877)	(60'174'389)
Net fee income	430'850'369	490'314'082
Gains or losses on proprietary trading	27'527'686	12'713'658
Other ordinary banking income and expense		
Gains or losses on the disposal of non-current financial assets	837	2'012'380
Total income from equity investments	399'844	1'850'000
- investments accounted for by the equity method CHF 0 (2009: CHF 0)		
- o/w other non-consolidated equity interests: CHF 399,844 (2011: CHF 1,850,000)		
Gains on property sales	1'848'821	2'350'420
Other ordinary banking income	48'462'169	38'881'596
Other ordinary banking expenses	(248'532)	(815'385)
Net other ordinary banking income	50'463'139	44'279'011
Operating expenses		
Employee benefits expense	(395'544'834)	(409'016'165)
Other operating expenses	(176'214'998)	(175'003'667)
Total operating expenses	(571'759'832)	(584'019'832)
Gross operating income	**459'336'812**	**426'714'827**
Depreciation and amortisation of non-current assets	(38'821'772)	(49'207'895)
Value adjustments, provisions and losses	(78'010'177)	(107'145'233)
Net income before non-recurring items and taxes	342'504'863	270'361'699
Non-recurring income	72'379'584	157'228'526
Non-recurring expense	(2'132'772)	(13'696'616)
Taxes	(80'556'557)	(84'536'883)
Net income	**332'195'118**	**329'356'726**

BNP Paribas (Suisse) SA

Consolidated statement of cash flows at 31 december 2012

(with prior year comparative data)
(in thousands of CHF)

	31.12.2012		31.12.2011	
	Sources of funds	Uses of funds	Sources of funds	Uses of funds
Cash flows from operating activities (generated internally)	**407'701**			**158'380**
Net income for the year	332'195		329'357	
Depreciation and amortisation of non-current assets	38'822		49'208	
Foreign exchange differences		13'132	23'805	
Value adjustments and provisions		32'686		27'051
Accrued income and prepaid expenses		25'991		69'330
Accrued expenses and deferred income	35'140		65'851	
Other assets	403'013		20'695	
Other liabilities		329'660		550'915
Cash flows from financing activities		**211'399**		
Net deductions from reserves		20		
Dividends		211'379		
Cash flows from investing activities	**620'049**		**402'402**	
Non-consolidated investments and investments accounted for by the equity method	522			2'679
Non-current financial assets	629'209		372'117	
Property, plant and equipment and intangible assets		9'681	32'964	
Cash flows from banking activities	**816'351**		**244'022**	
Short, medium and long-term transactions	**1'081'677**			**152'749**
Money market instruments	386			406
Due to banks		2'639'204		9'175'090
Due to customers		802'236		724'442
Loans from central mortgage bond institutions				25000
Money market instruments	2'114'133		4'842'885	
Due from banks	3'445'638			2'574'357
Due from customers, including mortgage loans		599'116	6'076'361	
Securities and precious metals trading portfolio		437'924	1'427'299	
Change in cash and cash equivalents		**1'898'028**		**91'273**
Cash and cash equivalents		1'898'028		91'273

BNP Paribas (Suisse) SA

Notes to the consolidated financial statements for the year ended 31 December 2012

(figures in thousands of CHF unless otherwise stated)

1. Business review and employees

BNP Paribas (Suisse) SA («the Bank») is the parent company of the BNP Paribas (Suisse) SA Group («the Group»). The Bank has branches in Basel, Lugano, Zurich, Guernsey and Jersey, and subsidiaries in the United Arab Emirates and Monaco. The BNP Paribas (Suisse) SA, Jersey Branch was created on 2 November 2012. It has taken over the fiduciary deposits business of the Guernsey branch office and is also developing wealth management operations.

The Group's scope of consolidation is presented in section 2 a) below.

BNP Paribas (Suisse) SA operates in all corporate and investment banking businesses and in wealth management, with all the necessary support services.

In corporate and investment banking, activities encompass specialised financing - particularly international trade finance - primary market issuance and placement, and proprietary trading in the foreign exchange, fixed-income and equity derivatives markets.

The wealth management business focuses on international clients with substantial assets and is conducted through the Bank and its subsidiary in Monaco.

BNP Paribas (Suisse) SA is in charge of cash management for all banking businesses and entities in its scope of consolidation. The Bank provides an information systems hub for some of the BNP Paribas Group's Swiss and foreign entities. It outsources its information systems requirements to the Swiss subsidiary of BNP Paribas Partners for innovation, a joint venture between BNP Paribas SA Paris and IBM France. It also outsources its back office activities for bond trading to BNP Paribas SA London branch, its administration and accounting activities for equity derivatives to BNP Paribas Arbitrage Paris and its back office activities for equity derivatives to Fortis Bank NV/SA Brussels.

The Bank has a share capital of CHF 320.3 million.

At 31 December 2012, the Group had 1,691 employees (2011: 1,818 employees), broken down as follows:

Switzerland	1,573 employees	(2011: 1,699 employees)
International	118 employees	(2011: 119 employees)

2. Summary of significant accounting policies for the consolidated financial statements

The consolidated financial statements of the Group comprising BNP Paribas (Suisse) SA and its subsidiaries have been prepared in accordance with the by-laws, the Swiss Code of Obligations, the Federal Banking Law and the directives on the preparation of financial statements issued by the Autorité Fédérale de Surveillance des Marchés Financiers (FINMA). Accordingly, they have been prepared so as to present a true and fair view of the Group's assets and liabilities, financial position and results of operations.

A) SIGNIFICANT ACCOUNTING POLICIES

• Consolidated subsidiaries

Significant subsidiaries in which the Bank directly or indirectly owns more than 50% of the share capital are fully consolidated. The separate financial statements of those subsidiaries are adjusted to comply with the accounting policies described below. The balance sheets and income statements of each subsidiary are aggregated and any intragroup commitments, loans, income and expenses are eliminated on consolidation.

Entities in which the Group directly or indirectly owns at least 20% of the voting rights are accounted for using the equity method, except for those which are not material or in which the Bank does not play an active management role.

The net difference on elimination of balances resulting from the use of a different accounting method is recognised in the balance sheet under «Other assets» or «Other liabilities».

• Goodwill
Goodwill is the difference between the cost of an acquisition and the fair value of the net assets acquired. It is recognised under «intangible assets». Goodwill is amortised on a straight-line basis over five years.

• Scope of consolidation
At 31 December 2012, the scope of consolidation includes the Group's interest in BNP Paribas Wealth Management Monaco, a banking subsidiary with share capital of EUR 13.0 million, audited by Messrs Claude Palmero and Jean-Humbert Croci in Monaco.

• Non-consolidated investments
Minority holdings or investments below the materiality threshold are measured at cost. A provision is recognised for any prolonged impairment in value.

Non-consolidated investments are measured at cost. Non-consolidated investments in foreign currencies are translated at the exchange rate prevailing on the date of acquisition (historical cost convention).

A provision is recognised for any prolonged impairment in value.

Non-consolidated investments in foreign currencies are refinanced in the same currency and translated at the year-end rate.

• Translation of foreign currency transactions and balance sheet items
Balance sheet items in foreign currencies are translated into Swiss francs at the year-end rate.

Off-balance sheet items are translated at the year-end rate, except for forward currency transactions which are translated at the rate applicable to the remaining term to maturity.

Income and expense in foreign currencies are translated into CHF at the rate prevailing on the transaction date. The only exception to this principle is a proportion of net revenue generated in US dollars by the Bank, which is translated at the rate for the currency positions taken during the year to hedge the exchange rate risk on this revenue.

The average USD/CHF exchange rate used to translate the US dollar revenues in the year was CHF 0.9409 (2011: 0.8901).

In view of the US dollar rate at end-2012, the Bank has not hedged its 2013 revenues.

The following year-end rates were used for the main currencies:

	31.12.2012	31.12.2011
USD/CHF	0.91400	0.94070
EUR/CHF	1.20600	1.21650
YEN/CHF*	1.06185	1.21450
GBP/CHF	1.48020	1.45665

* Rate per 100 yen

The average rates used on consolidation at end-2012 were USD/CHF 0.93658 (end-2011: 0.88511), EUR/CHF 1.20397 (end-2011: 1.23131).

The income statement items of subsidiaries denominated in foreign currencies have been translated into CHF at the average rate for the year.

• Financial year
The financial year corresponds to the calendar year.

• Recognition of transactions
Transactions are recognised on their value date, with the exception of derivatives, securities and some transfers, which are recognised on the transaction date. The Bank's Senior Management believes that the impact of this treatment is not material.

• Accrual accounting
Income is recognised when earned or accrued and expenses are recognised when incurred.

• Money market instruments
Money market instruments comprise discounted bills, certificates of deposits purchased from BNP Paribas SA Paris and Swiss National Bank treasury notes. These positions are held mainly to cover the Group's liquidity needs and are measured at cost on the balance sheet date.

• Due from customers
Loan and guarantee facilities granted to customers are measured at their face value. Provisions are recognised to cover known or estimated losses at the balance sheet date. Interest and fee income more than 90 days in arrears is considered as doubtful and a provision is taken.

Provisions are determined on a case-by-case basis. Specific provisions for principal and interest are deducted from the corresponding assets.

For the mortgage lending business taken over by the Bank from the former Fortis Bank (Suisse) SA, loans that have not been impaired on an individual basis are assessed for risk on a collective basis using the BNP Paribas Group's internal rating system, which is based on historical data adjusted where appropriate to take account of specific local features and circumstances prevailing on the balance sheet date.

In addition, at 31 March 2012, the same risk analysis was applied to corporate and investment banking (CIB) loans. Collective reserves are recognised on a centralised basis in the accounts of BNP Paribas SA Paris for all the subsidiaries and branches concerned, including BNP Paribas (Suisse), and have been recorded in the accounts of these entities retrospectively to 1 January 2012.

This assessment is used to identify pools of loans which, given events that have occurred since they were granted, have a collective probability of default at maturity that constitutes objective evidence of impairment across the entire portfolio, but cannot be individually allocated to the loans comprising that portfolio. The assessment also provides an estimate of the relevant losses taking account of trends in the economic cycle over the assessment period. Estimated losses are recognised as a liability in the balance sheet and then offset in assets as an additional collective value adjustment which is charged through profit or loss under the line item «Value adjustments, provisions and losses». When a potential loss can be individually allocated, a specific value adjustment is recognised by debit to the additional collective provision.

Additional collective value adjustments were as follows:

CHF million	**31.12.2012**	**31.12.2011**
Sector provision for mortgage loans	9.2	13.3
Collective reserve for CIB	18.2	

Loans secured by property assets are recognised in the balance sheet under «Mortgage loans».

• Securities held for trading
Fixed or variable income securities held for trading are measured at market value.

• Non-current financial assets
Non-current financial assets comprise interest-bearing securities which the Group intends to hold to maturity and investments in bonds, interest bearing securities, shares or similar securities held for the sole purpose of earning a satisfactory return in the medium-term but without any management involvement in the issuing companies.

Interest-bearing securities which the Group intends to hold to maturity are measured at cost. The difference between the cost and redemption value of bonds is amortised on a straight-line basis until maturity (accrual method) and the amortisation charge is recognised through profit or loss under «Interest and dividend income from non-current financial assets».

Listed equities are measured at the lower of cost or market value. Unlisted equities are measured at the lower of cost or intrinsic value. A provision is taken for any negative difference and recognised under «Other ordinary banking expenses». Subsequent provision reversals are recognised under «Other ordinary banking income».

• Stock lending and repurchase agreements
Repurchase agreements and stock loans remain on the balance sheet and are measured in accordance with the accounting principles applicable respectively to securities held for trading and non-current financial assets provided that the Group retains the benefit of the rights attached to the relevant securities. Amounts received from the sale of securities under repurchase agreements or received as collateral for the stock loans are recognised in the balance sheet under «Due to customers» or «Due to banks».

Interest expense on these commitments is recognised in the income statement on an accrual basis.

Reverse repurchase agreements and stock borrows are not recognised on the balance sheet unless the counterparty has transferred the power to dispose of the relevant securities. Amounts paid for the purchase of securities under reverse repurchase agreements or given as collateral for stock borrows are recognised under due from customers or due from banks as applicable. Interest income on these assets is recognised in the income statement on an accrual basis.

• Property, plant and equipment
Property, plant and equipment are measured at cost and depreciated on a straight-line basis over their estimated useful lives.

If there is evidence of impairment or a change in estimated useful life, an exceptional write-down is made and the residual carrying amount is then depreciated over the new estimated useful life. Depreciation and exceptional write-downs are recognised in the income statement under «Depreciation and amortisation of non-current assets». If the reasons for the exceptional write-down no longer apply, a full or partial reversal of the impairment charge taken in prior periods is recognised in non-recurring income.

The depreciation periods used for the main asset categories are as follows:

• Buildings	10 to 60 years depending on parts
• Furnishings and furniture	5 years
• Office equipment	3 years
• Other hardware	5 years
• Software	3-5 years
• Customer portfolio	5 years

• Intangible assets
Intangible assets comprise goodwill on consolidated investments and purchased goodwill, amortised on a straight-line basis over five years. If there is evidence of impairment or a change in estimated useful life, an exceptional write-down is made and the residual carrying amount is then depreciated over the new estimated useful life.

• Issues
The Bank makes structured bond issues for its institutional clients, which are measured at market value.

• Value adjustments and provisions
Provisions are taken for impairment of on- and off-balance sheet assets and for litigation risks. All value adjustments and provisions are recognised under «Value adjustments and provisions», other than provisions for non-current financial assets and specific loan loss provisions, which are deducted from the corresponding asset in the balance sheet.

• Employee benefit obligations
Obligations arising from existing pension plans are measured and provided for on the balance sheet using the actuarial method recommended in Swiss GAAP RPC 16. Provisions taken correspond to the net present value of the obligation at the balance sheet date (see note 3.9 below).

Employee benefits other than pensions, such as retirement bonuses and jubilees, are expensed as and when earned by the Group's employees.

• Derivative financial instruments
Derivative financial instruments are measured as follows:

- For arbitrage activities, changes in fair value of instruments traded on organised markets are recognised through profit or loss under «Gains or losses on proprietary trading». This principle also applies to over-the-counter swaps, in which case market value is equal to the net present value of future cash flows.
- Gains or losses on derivative instruments designated as micro- or macro-hedges are measured and recognised in the same way as gains or losses on the hedged items. Macro-hedges are mainly used for managing balance sheet items with no fixed maturity. Gains or losses are recognised in interest income and expense. Any difference compared with market value is recognised in the set-off account in the balance sheet.

Gross replacement values shown on the balance sheet under «Other assets» and «Other liabilities» correspond to the market value of derivative financial instruments arising from trading on behalf of clients and on own account, held on the balance sheet date. Gross positive replacement values represent receivables and gross negative replacement values represent liabilities. The respective positions held at the balance sheet date are disclosed in notes 3.6 and 3.7.

Gross positive and negative replacement values of IRSs and FRAs entered into with the same counterparty are netted if a netting agreement has been signed with the counterparty.

• Taxes

Group entities provide for tax due in respect of prior periods, tax on net income for the period and taxable equity at the year-end in accordance with the rules and rates prevailing in their home country.

Where applicable, deferred tax assets or liabilities are recognised in respect of temporary differences, calculated using the liability method. Deferred tax assets and liabilities are not netted in the balance sheet.
A deferred tax liability of CHF 290.7 million was recognised in the balance sheet under «Value adjustments and provisions» at 31 December 2012 (2011: CHF 271.4 million). This amount relates to general provisions of CHF 1,201.3 million carried in the statutory financial statements of Group companies, calculated at the prevailing rate of 24.23%. There were no deferred tax assets at 31 December 2012 or 2011.

Other indirect taxes and duties are recorded under «Other operating expenses».

• Fee income

Fee income is recognised in the income statement when debited to the client. Fiduciary fees, fees charged on a periodical basis, fees on syndicated loan participation and some financing fees are accounted for on an accrual basis.

• Reserves for general banking risks

The Group takes reserves for general banking risks to cover the risks inherent in the banking business which are not covered by specific provisions». These reserves are recognised as equity and have been taxed.

• Treasury shares

Treasury shares are deducted from equity under a separate line item entitled «Treasury shares».

• Contingent liabilities, irrevocable commitments and guarantees

Off-balance sheet items are shown at their face value. Provisions are taken for identified risks and recognised as a liability on the balance sheet.

B) RISK MANAGEMENT REVIEW

• Introduction
The Board of Directors assesses risk during Board meetings based on an ad hoc report prepared by Senior Management.

• Interest rate risk
The Bank is responsible for managing and monitoring all interest rate risk on forward and futures transactions carried out by Group entities. It is also responsible for ensuring compliance with the BNP Paribas Group's policies on structural interest rate risk on non-maturity assets and liabilities carried on the balance sheets of the different entities (equity, customer sight deposits).

This operating method is based on service contracts entered into by the Bank and the relevant Group entities, under which they agree to centralise all their interest rate and counterparty risk with the Bank.
In addition to these positions, the Bank trades on its own account within the limits set in its internal regulations.

Under an active asset and liability management policy, the Group reinvests part of its non-interest bearing customer sight deposits in medium and long-term investments to benefit from a better rate than that offered by the money market. Similarly, a part of its equity is invested in long-term investments.

• Other market risks
Only the Bank is authorised to trade in the equity, fixed-income and foreign exchange markets on its own account. The Bank trades in the financial markets in accordance with the directives issued by the Swiss Bankers Association on derivatives risk management applicable since 1 July 1996.

The main components of the Bank's risk management system are:

- position limits for each business and maximum loss limits for trading;
- credit limits by counterparty;
- real time monitoring of trading activities and a weekly performance analysis for interest rate maturity mismatching activities;
- a detailed reporting system for reporting to the committees responsible for overseeing market and credit risk.

The Bank uses the internal value at risk model used by all BNP Paribas Group entities. The model uses simulation techniques and estimates potential losses on market activities based on the historical volatility of the main inputs (interest rates, currency rates, equity prices) likely to lead to a change in portfolio value and the historical correlations between those variables.

Other Group entities trade in derivative financial instruments on behalf of clients, mainly currency, equity and interest rate derivatives

• Credit risk
All Group entities apply the Group's credit risk management policy on a consistent basis.
Loans are classified according to an internal risk rating system which is used to measure the quality of credit portfolios at all times. There is a system of delegated signature authorities for granting loans, tailored to the needs of each individual entity. Each entity controls the risks related to loans granted, compliance with delegated signature authorities, and loan classification in accordance with the internal rating system.
The Bank's risk management department and the Board of Directors receive a consolidated risk report on a regular basis. Provision requirements are determined periodically.

• Country risk
As regards sovereign risk, the Group is part of the centralised risk management system established by its own parent company, BNP Paribas SA Paris. The principles and methods applied by the BNP Paribas Group for country risk comply with the directives issued by the Swiss Bankers Association.

The BNP Paribas Group has ad hoc committees that set limits by area and country, which include credit facilities granted by the Group. These committees are also responsible for regular analysis and measurement of country risk outside the EU and OECD: these countries are classified in increasing order of risk and there is a minimum provisioning requirement for each category. In addition, loans are weighted according to maturity structure and transaction type. However, no provision is taken by the Bank or Group entities as BNP Paribas SA Paris is responsible for taking all requisite country risk provisions based on information reported by BNP Paribas Group Swiss entities.

• Operational and reputational risk

The Group has dedicated units responsible for identifying, measuring and controlling risks related to the operational aspects of its business, and particularly with regard to compliance, information systems security and legal and tax risks.

An internal control committee at parent company level meets periodically to review the operational risk management system, permanent controls, compliance and ethics, and to monitor implementation of recommendations made by the external or internal auditors.

Following the Swiss Federal Court decision of 30 October 2012, the Bank carried out an estimate of the risk of reimbursement of retrocessions received under discretionary management agreements and recognised a provision of CHF 6.3 million for this purpose.

In addition, the Bank continued its retrospective internal review of the transactions liable to be deemed to be inconsistent with the economic sanctions imposed by the US authorities. It is noted that similar reviews were carried out by a number of institutions and, in many cases, they resulted in settlement agreements negotiated as a function of circumstances on a case-by-case basis.

C) POLICY FOR THE USE DERIVATIVE FINANCIAL INSTRUMENTS

Proprietary trading activities are conducted in accordance with internal directives governing market and interest rate risk management.

Trading on behalf of clients covers foreign exchange transactions (forward and options), equity options, stock indices, fixed-income instruments, precious metals and futures.

For these transactions, Group banks calculate a risk equivalent to determine the amount of collateral required. The risk equivalent is either the replacement value of the instruments plus an add-on or the usual margin calculated by the market. Margin calls are made if the value of the assets provided as collateral is no longer adequate for the risk.

D) CONSOLIDATED SUPERVISION

Consolidated supervision of the various Group entities is the responsibility of the Bank's Senior Management, which draws up reporting and control procedures. Senior Management monitors the operations of its subsidiaries within the limits set by the various Boards of Directors.

Members of the Bank's Senior Management sit on the Boards of the Group's consolidated entities.

3. Notes to the consolidated balance sheet

3.1 COLLATERAL FOR LOANS AND OFF-BALANCE SHEET ITEMS

	31.12.2012			
Breakdown of collateral	**Mortgage guarantees**	**Other guarantees**	**Unsecured**	**Total**
Loans				
Due from customers	170'006	7'342'323	5'625'794	13'138'123
Mortgage loans				
- residential	721'380	12'193	11'266	744'839
- retail	136'964			136'964
- commercial				
- other	670			670
Total 31.12.2012	1'029'020	7'354'516	5'637'060	14'020'596
Total 31.12.2011	1'133'757	7'328'346	4'893'951	13'356'054
Off-balance sheet				
Contingent liabilities		1'747'137	8'731'896	10'479'033
Irrevocable commitments		48'402	3'526'509	3'574'911
Guarantees		164'979	573'473	738'452
Total 31.12.2012		1'960'518	12'831'878	14'792'396
Total 31.12.2011		3'361'008	15'506'816	18'867'824

Non-performing loans	**Gross**	**Estimated value of collateral**	**Net amount**	**Specific value adjustments**
31.12.2012	441'217	164'915	276'302	276'302
31.12.2011	579'060	230'383	348'677	348'677

Non-performing loans fell by a net CHF 72.4 million compared with the previous year due to a decrease in risks in international trade and mortgage finance.

3.2
SECURITIES AND PRECIOUS METALS TRADING PORTFOLIO

	31.12.2012	31.12.2011
Debt securities	901'692	968'676
- Listed *	901'692	968'676
Equity investments *	798'107	293'199
TOTAL	1'699'799	1'261'875
- o/w repurchase agreements contracted for liquidity purposes	227'257	298'211

* Négociés auprès d'une bourse reconnue

3.3
NON-CURRENT FINANCIAL ASSETS AND NON-CONSOLIDATED INVESTMENTS

	Carrying amount		Carrying amount**	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Debt securities	1'107'370	1'099'170	1'107'641	1'099'447
- o/w held-to-maturity	1'107'370	1'099'170	1'107'370	1'099'170
Equity investments	415	729'256	26'466	753'774
- o/w significant holdings *		728'852		728'852
Precious metals	473'543	369'320	473'543	369'320
Property	356	283	356	283
TOTAL	1'581'684	2'198'029	1'608'006	2'222'824
- o/w repurchase agreements contracted for liquidity purposes	952'782	960'419		
Non-consolidated investments				
- no market value	4'161	4'682		
Total non-consolidated investments	4'161	4'682		

* At least 10% of the share capital or voting rights
** for unlisted long-term investments, cost has been used as fair value, adjusted for any provisions required

3.4
NAME, HEAD OFFICE, BUSINESS ACTIVITY AND PERCENTAGE INTEREST IN SIGNIFICANT EQUITY INVESTMENTS

	Business	Percentage holding 2012 *	Percentage holding 2011 *	Share capital at 31 December 2012 (in thousands)		Share capital at 31 December 2011 (in thousands)	
Consolidated subsidiaries							
BNP Paribas Wealth Management Monaco, Monaco	Banking	100%	100%	EUR	12'960	EUR	12'960
Non-consolidated investments							
BNP Paribas (Bahamas) Ltd, Nassau (1)	Banking	100%	100%	USD	12'400	USD	12'400
BNP Paribas Wealth Management (DIFC) Limited, Dubaï (2)	Finance company	100%	100%	USD	4'000	USD	4'000
Bergues Finance Ltd, Nassau (3)	Finance company	100%	100%	USD	100	USD	100
Royale Neuve II, Luxembourg (4)	Finance company		100%	GBP		GBP	500'000

* Voting rights identical to percentage holding
1) Investment held indirectly through Bergues Finance Ltd. Placed in liquidation in December 2010 and no longer consolidated in 2010.
2) Company holds a category 4 licence and is therefore not permitted to engage in lending or discretionary management activities.
3) Placed in liquidation in December 2010 and no longer consolidated in 2010.
4) Disposed of in December 2012.

3.5
NON-CURRENT ASSETS

				2012				
	Valeur d'acquisition	Accumulated depreciation & amortisation	Carrying amount at at 31.12.11	Changes of allocation	Investments	Divestments	Deprec. & amortisation	Carrying amount at 31.12.12
Non-consolidated investments								
Other investments	6'219	(1'536)	4'683			(522)		4'161
Total investments	6'219	(1'536)	4'683			(522)		4'161
Property								
Owner-occupied property	184'516	(59'775)	124'741		942	(1)	(3'371)	122'311
Other property								
Plant and equipment	183'139	(133'495)	49'644		9'399	(654)	(16'501)	41'888
Total property, plant and equipment	367'655	(193'270)	174'385		10'341	(655)	(19'872)	164'199
Goodwill	225'092	(168'285)	56'807			(1)	(18'949)	37'857
Other intangible assets	1'790	(1'289)	501			(4)		497
Total intangible assets	226'882	(169'574)	57'308			(5)	(18'949)	38'354
Fire insurance value of property (1)			307'237					259'351
Fire insurance value of plant and equipment (1)			91'322					71'901
Commitments: future operating lease payments			668					864

(1) «For BNP Paribas Wealth Management Monaco, master fire insurance policies (property and other) have been taken out at BNP Paribas Group France level

3.6
OTHER ASSETS

	31.12.2012	31.12.2011
Positive replacement values	186'518	558'557
Netting account	15'718	20'723
Suspense account	18'906	21'374
Other	32'419	55'920
	253'561	656'574

3.7 OTHER LIABILITIES

	31.12.2012	31.12.2011
Negative replacement values	234'267	544'724
Suspense account	16'725	14'136
Other	68'896	90'688
	319'888	649'548

3.8 ASSETS ASSIGNED AS COLLATERAL

At 31 December 2012, assets assigned as collateral were broken down as follows:

Stock lending and repurchase agreements

	31.12.2012	31.12.2011
	Amount or value of collateral	
Cash collateral receivables		2'132'753
Cash collateral payables (CHF millions)	325'405	1'263'356
Carrying amount of securities held on own account, lent or assigned as collateral	35'900	130'350
Securities received as collateral under stock lending transactions, stock borrows and repurchase agreements with an unconditional right to sell or re-use as collateral	4'570'998	3'031'379
Stock lending and repurchase agreements	4'932'303	6'557'838

3.9
PENSION FUND COMMITMENTS

The credit balance on current accounts held by pension funds with the Bank at 31 December 2012 amounted to CHF 12.5 million (2011: CHF 73.9 million).

All employees of the Bank are affiliated with a pension fund common to all BNP Paribas Group entities in Switzerland. The fund provides its affiliates with pension benefits in exchange for contributions.

The Bank's managers and Senior Management members are also affiliated with a supplementary pension fund in exchange for contributions.

Neither of the funds is technically in shortfall. The surplus does not constitute an economic benefit for the Bank.

The latest audited annual financial statements for the pension funds at 31 December 2011 prepared in accordance with Swiss GAAP RPC 26 show a coverage rate of:

- 104.5% for the BNP Paribas Group Swiss pension fund,
- 103.3% for the Executive supplementary pension fund.

The estimated coverage rates at 31.12.2012 were:

- 108.7% for the BNP Paribas Group Swiss pension fund, and
- 110.7% for the Executive supplementary pension fund.

The Group's foreign subsidiaries have defined contribution pension plans which are independent from those of the Bank.

Employer's contributions paid to the pension funds amounted to CHF 38.5 million (2011: CHF 45.5 million) and are identical to the contributions recognised in employee benefits expenses.

The Bank measures its pension obligation using the actuarial method for pension funds.

Total provisions recognised by the Group for pension commitments amounted to CHF 13.6 million at 31 December 2012 (31 December 2011: CHF 15.5 million).

3.10
VALUE ADJUSTMENTS, PROVISIONS AND MOVEMENTS DURING THE YEAR

	Balance at 31.12.11	Utilisations and reversals for original purpose	Recoveries, doubtful interest, exchange differences	New charges through profit or loss	Reversals released to profit or loss	Balance at 31.12.12
Provisions for taxes	271'354			19'384		290'738
Value adjustments and provisions for loan losses and other risks						
- Value adjustments and provisions for loan losses	405'350	(59'547)	13'626	41'471	(64'440)	336'460
- Value adjustments and provisions for other operating risks	20'627	(4'115)	(96)	6'849	(1'982)	21'283
- Restructuring provisions	1'265	(945)		722		1'042
- Provisions for pension commitments	15'493	(2'547)	(26)	721		13'641
- Other provisions	1'746		167	18'072		19'985
Total value adjustments and provisions	**715'835**	**(67'154)**	**13'671**	**87'219**	**(66'422)**	**683'149**
To be deducted:						
Value adjustments deducted directly from assets	(394'054)					(328'628)
Total value adjustments and provisions carried on the balance sheet	**321'781**					**354'521**
Reserves for general banking risks **	**135'949**					**135'949**

** The CHF 135,949 charge to the reserves for general banking risks has been taxed.

3.11
STATEMENT OF CHANGES IN EQUITY

Equity at 1 January 2012	
Paid-up share capital	320'271
Additional paid-in capital	2'454
Retained earnings	3'166'302
Reserves for general banking risks	135'949
Net income for the year	329'357
Treasury shares	(95)
Total equity at 1 January 2012 (before appropriation of net income)	3'954'238
Dividends	(211'379)
Net deductions from reserves	(20)
Translation difference	(268)
Net income for the year	332'195
Total equity at 31 December 2012 (before appropriation of net income)	4'074'766
Including	
Paid-up share capital	320'271
Additional paid-in capital	2'454
Retained earnings	3'283'992
Reserves for general banking risks	135'949
Net income for the year	325'195
Treasury shares	(95)

Treasury shares	Number	Value
Balance at 1 January 2012	159	95
Bought		
Sold		
Balance at 31 December 2012	159	95

3.12
MATURITY OF CURRENT ASSETS, NON-CURRENT FINANCIAL ASSETS AND FOREIGN FUNDS

	31.12.2012							
	Sight	Cancel-lable	Less than 3 months	3 to 12 months	12 months to 5 years	More than 5 years	Non-cur-rent	Total
Current assets								
Cash and cash equivalents	2'132'012							2'132'012
Money market instruments			2'664'389	2'348'500				5'012'889
Due from banks	532'368	1'525	2'712'230	665'280	929'449	12'060		4'852'912
Due from customers		5'440'082	4'730'540	1'292'282	1'525'806	149'413		13'138'123
Mortgage loans		779'223	12'738	5'642	11'653	73'217		882'473
Securities and precious metals trading portfolio	1'699'798							1'699'798
Non-current financial assets	473'957			339'633	660'571	107'166	357	1'581'684
Total current assets: 31.12.2012	4'838'135	6'220'830	10'119'897	4'651'337	3'127'479	341'856	357	29'299'891
Total current assets: 31.12.2011	4'086'208	4'504'456	14'574'998	4'670'393	3'776'585	862'064	810	32'475'514
Foreign funds								
Money market instruments	607							607
Due to banks	1'925'984	500	2'637'683	271'573	306'582	32'929		5'175'251
Due to customers in the form of savings and investments		384						384
Other amounts due to customers	13'181'625	959'389	5'188'985	535'292	5'000	4'800		19'875'091
Loans from central mortgage bond institutions								
Total foreign funds: Net 31.12.2012	15'108'216	960'273	7'826'668	806'865	311'582	37'729		25'051'333
Total foreign funds: 31.12.2011	11'722'077	1'636'256	11'679'400	2'158'394	1'191'394	104'866		28'492'387
Net 31.12.2012	(10'270'081)	5'260'557	2'293'229	3'844'472	2'815'897	304'127	357	4'248'558
Net 31.12.2011	(7'635'869)	2'868'200	2'895'598	2'511'999	2'585'191	757'198	810	3'983'127

3.13
LOANS AND ADVANCES TO MEMBERS OF THE GOVERNING BODIES AND LOANS AND COMMITMENTS TO RELATED COMPANIES

Loans to members of the governing bodies
The loans have been granted on an arm's length basis. Loans to members of the governing bodies amounted to CHF 1.3 million at 31 December 2012 (2011: CHF 1.6 million). They are secured by property assets. The loans have been granted on an arm's length basis.

Loans and commitments to related companies
The following table shows gross loans and commitments to related companies (entities controlled by BNP Paribas SA Paris):

	Loans		Commitments	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Balance sheet				
Sight accounts	219'368	541'661	84'780	313'955
Term accounts	650'608	554'258	465'820	954'667
Replacement values of derivatives	111	2'459	526	3'315

	Total volume	
	31.12.2012	31.12.2011
Off-balance sheet		
Contingent liabilities	185'044	48'867
Guarantees	31'136	28'519
Derivative financial instruments		
- IRS	6'200	79'700
- Forward currency transactions	23'792	103'761
- interest rate futures	904'000	1'676'000
- OTC equity options	10'810	6'057
- Caps and floors	9'140	9'407
Fiduciary deposits	457	20'578

Total loans and commitments to non-consolidated investments and significant shareholders
At 31 December 2012, loans to non-consolidated investments and significant shareholders amounted to CHF 8,767 million (2011: CHF 13,310 million). Commitments to non-consolidated investments and significant shareholders amounted to CHF 4,453 million at 31 December 2012 (2011: CHF 5,335 million). These loans and commitments mainly comprise the balance of interbank treasury transactions held at the balance sheet date with BNP Paribas SA Paris and its foreign branches. Commitments to significant shareholders no longer include any subordinated loans (2011: CHF 805 million).

Transactions with related companies and significant shareholders are made on an arm's length basis.

As part of its international trade finance business, the Bank has issued guarantees to and received guarantees from BNP Paribas Group banks for the following amounts:

	31.12.2012	31.12.2011
Guarantees received	2'161'787	2'236'375
Guarantees issued	551'869	534'108

The Bank has given BGL BNP Paribas S.A. (Luxembourg) a liability warranty to cover any loss that might arise as a result of the litigation assumed by BGL BNP Paribas S.A. (Luxembourg) pursuant to its acquisition and merger of UEB (Luxembourg), former subsidiary of the Bank.

3.14
BREAKDOWN OF ASSETS BETWEEN SWITZERLAND AND INTERNATIONAL

	31.12.2012			31.12.2011		
	Suisse	Etranger	Total	Suisse	Etranger	Total
Assets						
Cash and cash equivalents	2'129'817	2'195	2'132'012	230'605	3'379	233'984
Money market instruments		5'012'889	5'012'889	499'721	6'627'301	7'127'022
Due from banks	188'336	4'664'576	4'852'912	373'853	7'924'696	8'298'549
Due from customers	4'369'585	8'768'538	13'138'123	4'251'417	8'103'091	12'354'508
Mortgage loans	625'684	256'789	882'473	756'927	244'619	1'001'546
Securities and precious metals trading portfolio	879'014	820'784	1'699'798	371'992	889'883	1'261'875
Non-current financial assets	829'380	752'304	1'581'684	370'522	1'827'507	2'198'029
Non-consolidated investments and investments accounted for by the equity method		4'161	4'161	4'184	498	4'682
Property, plant and equipment and intangible assets	200'099	2'454	202'553	228'467	3'226	231'693
Accruals and prepayments	358'966	64'738	423'704	302'433	95'280	397'713
Other assets	88'348	165'213	253'561	183'796	472'778	656'574
Total assets	**9'669'229**	**20'514'641**	**30'183'870**	**7'573'917**	**26'192'258**	**33'766'175**
Liabilities and equity						
Money market instruments	607		607	221		221
Due to banks	97'769	5'077'482	5'175'251	1'153'933	6'660'522	7'814'455
Due to customers in the form of savings and investments	7	377	384	7	308	315
Other amounts due to customers	2'919'020	16'956'071	19'875'091	3'748'819	16'928'577	20'677'396
Accruals and prepayments	347'235	36'127	383'362	294'209	54'013	348'222
Other liabilities	120'162	199'726	319'888	166'628	482'920	649'548
Value adjustments and provisions	348'213	6'308	354'521	315'644	6'137	321'781
Reserves for general banking risks	135'949		135'949	135'948		135'948
Share capital	320'271		320'271	320'271		320'271
Treasury shares	(95)		(95)	(95)		(95)
Additional paid-in capital		2'454	2'454		2'454	2'454
Retained earnings	3'254'287	29'705	3'283'992	3'126'689	39'613	3'166'302
Net income for the year	325'443	6'752	332'195	315'433	13'924	329'357
Total liabilities and equity	**7'868'868**	**22'315'002**	**30'183'870**	**9'577'707**	**24'188'468**	**33'766'175**

3.15
BREAKDOWN OF ASSETS BY COUNTRY

	31.12.2012		31.12.2011	
	Amount	%	Amount	%
Switzerland	9'669'229	32%	7'573'917	23%
Europe	14'949'068	50%	20'084'635	59%
o/w France	*9'609'579*	*32%*	*13'813'402*	*41%*
United Kingdom	*1'160'077*	*4%*	*726'066*	*2%*
Caribbean	2'457'344	8%	2'799'856	8%
Latin America	264'762	1%	131'617	0%
North America	496'086	2%	822'669	3%
Asia-Pacific	2'082'076	7%	2'086'015	6%
Africa	265'305	1%	267'466	1%
Total assets	30'183'870	100%	33'766'175	100%

3.16
BREAKDOWN OF ASSETS AND LIABILITIES BY MAJOR CURRENCY

	CHF	USD	EUR	Other	Total
Assets					
Cash and cash equivalents	2'124'488	483	6'489	552	2'132'012
Money market instruments		3'199'524	1'813'365		5'012'889
Due from banks	1'059'387	1'835'176	495'357	1'462'992	4'852'912
Due from customers	346'087	8'529'297	2'943'171	1'319'568	13'138'123
Mortgage loans	661'625	175	220'673		882'473
Securities and precious metals trading portfolio	1'073'727	481'537	144'534		1'699'798
Non-current financial assets	974'916		313	606'455	1'581'684
Non-consolidated investments and investments accounted for by the equity method		3'981	180		4'161
Property, plant and equipment	163'316		883		164'199
Intangible assets	37'809		545		38'354
Accruals and prepayments	357'945	32'731	27'701	5'327	423'704
Other assets	238'443	4'648	10'230	240	253'561
Total assets	7'037'743	14'087'552	5'663'441	3'395'134	30'183'870
Settlement claims arising from spot, futures and options transactions	498'692	5'080'928	3'627'836	4'586'391	13'793'847
Total assets	**7'536'435**	**19'168'480**	**9'291'277**	**7'981'525**	**43'977'717**
Liabilities and equity					
Money market instruments	604	3			607
Due to banks	796'655	3'128'922	851'278	398'396	5'175'251
Due to customers in the form of savings and investments	22	17	345		384
Other amounts due to customers	1'131'425	11'873'898	4'593'057	2'276'711	19'875'091
Accruals and prepayments	321'717	19'205	34'339	8'101	383'362
Other liabilities	235'445	46'853	37'443	147	319'888
Value adjustments and provisions	323'642	13'707	16'445	727	354'521
Reserves for general banking risks	135'949				135'949
Share capital	320'271				320'271
Treasury shares	(95)				(95)
Additional paid-in capital			2'454		2'454
Retained earnings	3'254'287		29'705		3'283'992
Net income for the year	329'244		2'951		332'195
Total liabilities and equity	6'849'166	15'082'605	5'568'017	2'684'082	30'183'870
Settlement commitments arising from spot, futures and options transactions	660'859	4'142'641	3'677'989	5'289'210	13'770'699
Total liabilities and equity	**7'510'025**	**19'225'246**	**9'246'006**	**7'973'292**	**43'954'569**
Net position by currency	**26'410**	**(56'766)**	**45'271**	**8'233**	**23'148**

4. Notes to the consolidated statement of off-balance sheet items

4.1 BREAKDOWN OF CONTINGENT LIABILITIES

Contingent liabilities are broken down as follows:

	31.12.2012	31.12.2011
Irrevocable guarantees and similar	1'796'437	2'224'084
Warranties and similar	330'596	535'450
Irrevocable commitments	8'352'000	11'522'630
	10'479'033	14'282'164

4.2 BREAKDOWN OF GUARANTEE COMMITMENTS

	31.12.2012	31.12.2011
Commitments arising from deferred payments	693'565	1'011'483
Other guarantees	44'887	57'616
	738'452	1'069'099

4.3
DERIVATIVE FINANCIAL INSTRUMENTS HELD AT THE YEAR-END

	Financial instruments held for trading			Financial instruments held for hedging		
	Positive replacement values	Negative repla-cement values	Contract volumes	Positive replacement values	Negative repla-cement values	Contract volumes
Fixed-income instruments						
Forward contracts including FRAs						
Swaps	11'129	45'889	3'823'899	220	26'070	910'007
Futures			904'000			
Options (OTC)	1'743	1'743	194'645			
Currencies, precious metals						
Forward contracts	46'525	48'148	7'642'206			
Cross-currency interest rate swaps	39'640	37'917	4'199'840	21'936	116	1'097'633
Options (OTC)	10'479	10'479	1'901'541			
Equities/indices						
Forward contracts	104	88	200'691			
Futures	74		239'587			
Options (OTC)	34'509	20'611	1'738'838			
Options (exchange traded)	19'829	38'915	899'997			
Credit derivatives						
Credit default swaps	330	4'291	601'072			
Total before impact of netting agreements						
Gross total 31.12.2012	164'362	208'081	22'346'316	22'156	26'186	2'007'640
Gross total 31.12.2011	540'592	514'026	33'770'133	17'965	30'698	4'494'084

	Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after impact of netting agreements		
Net total 31.12.2012	186'518	234'267
Net total 31.12.2011	558'557	544'724

4.4
FIDUCIARY OPERATIONS

Fiduciary operations are broken down as follows:

		31.12.2012	31.12.2011
Fiduciary deposits			
	Group banks	15'508	35'166
	Other banks	181'926	394'878
	Sub-total	**197'434**	**430'044**
Fiduciary loans			
	Group banks		1'881
	Non-banking clients	229	235
	Sub-total	229	2'116
	Total fiduciary operations	**197'663**	**432'160**

4.5
ADMINISTERED ASSETS

Type of assets administered	31.12.2012	31.12.2011
Assets under discretionary management	4'213'551	4'358'570
Other administered assets	32'563'260	33'033'869
Total administered assets	36'776'811	37'392'439
Net new inflows/outflows	**(1'183'450)**	**(726'761)**

Administered assets comprise retail and institutional client assets (balance sheet deposits, fiduciary deposits, securities portfolios) for all BNP Paribas Group entities in Switzerland. They do not include assets for which the Group acts only as custodian, which amounted to CHF 1,452 million (2011: CHF 1,581 million).

Net new inflows/outflows comprise all external inflows and outflows of cash and securities recorded on client accounts. They do not include internal interest or fee entries or purchases of securities financed by loans. Similarly, external outflows and inflows of funds pursuant to client credit facilities (use of credit facility then repayment) are eliminated.

5.
Notes to the consolidated income statement

5.1
BREAKDOWN OF GAINS AND LOSSES ON PROPRIETARY TRADING

	31.12.2012	31.12.2011
Derivative financial instruments	(17'663)	(20'412)
Notes	624	585
Currencies	44'567	32'541
	27'528	**12'714**

5.2
EMPLOYEE BENEFITS EXPENSE

	31.12.2012	31.12.2011
Wages and salaries	288’977	293’922
Social security benefits	33’022	26’353
Employer's pension contributions	35’900	45’500
Other employee benefits expense	37’646	43’241
	395’545	**409’016**

5.3
OTHER OPERATING EXPENSES

	31.12.2012	31.12.2011
Premises	23’909	29’993
Information systems and other installations	64’996	66’628
Other operating expenses	87’310	78’383
	176’215	**175’004**

5.4
NON-RECURRING INCOME

Non-recurring income amounted to CHF 72.4 million in 2012, including CHF 66.4 million for the reversal of specific loan loss provisions and provisions for litigation taken in previous years, CHF 1.4 million in recoveries of written-off loans and CHF 1.4 million in gains on the disposal of equity investments. The balance of CHF 3.2 million comprises non-recurring income arising mainly from the regularisation of transactions recorded in prior years.

In 2011, non-recurring income amounted to CHF 157.2 million, including CHF 78.4 million for the reversal of specific loan loss provisions and provisions for litigation taken in previous years, CHF 3.1 million in recoveries of written-off loans, CHF 68.0 million in gains on the sale of property, plant and equipment, and CHF 5.7 million in gains on the partial disposal of a business operation. The balance of CHF 2.0 million comprised non-recurring income arising mainly from the regularisation of transactions recorded in prior years.

5.5
NON-RECURRING EXPENSE

Non-recurring expense amounted to CHF 2.1 million in 2012, comprising CHF 0.7 million for retirement of intangible assets, CHF 0.4 million for retirement of property, plant and equipment and CHF 0.5 million for impairment in the value of long-term investments. The balance of CHF 0.5 million comprises non-recurring expenses arising mainly on the regularisation of transactions recorded in prior years.

In 2011, non-recurring expense amounted to CHF 13.7 million, comprising CHF 11.9 million in an exceptional write-down of an intangible asset and CHF 0.8 million in property, plant and equipment retirements. The balance of CHF 1.0 million comprised non-recurring expenses arising mainly on the regularisation of transactions recorded in prior years.

5.6
BREAKDOWN OF INCOME AND EXPENSES BETWEEN SWITZERLAND AND INTERNATIONAL ACCORDING TO WHERE THE OPERATION IS BASED

The amounts in the table below are shown after elimination of intragroup transactions:

2012	Switzerland	International	Total
Net interest income	503'396	18'860	522'256
Net fee income	407'827	23'023	430'850
Gains and losses on proprietary trading	23'886	3'642	27'528
Net other ordinary banking income	49'925	538	50'463
Operating expenses	(538'647)	(33'113)	(571'760)
Gross operating income	**446'387**	**12'950**	**459'337**

2011	Switzerland	International	Total
Net interest income	440'744	22'684	463'428
Net fee income	465'635	24'679	490'314
Gains and losses on proprietary trading	10'048	2'666	12'714
Net other ordinary banking income	43'832	447	44'279
Operating expenses	(552'253)	(31'767)	(584'020)
Gross operating income	**408'006**	**18'709**	**426'715**


Place de la
Poste

BNP Paribas (Suisse) SA

Auditor's report on the consolidated financial statements

Deloitte.

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Report of the statutory auditor

To the General Meeting of
BNP Paribas (Suisse) SA, Geneva

Report on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of BNP Paribas (Suisse) SA, which comprise the balance sheet, income statement, cash flow statement and notes (pages 25 to 61) for the year ended December 31, 2012. The previous year consolidated financial statements have been audited by another auditor. That one delivered, in his report dated April 20, 2012, an unqualified audit opinion.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit. Fiscalité. Conseil. Corporate Finance.
Member of Deloitte Touche Tohmatsu Limited

Deloitte.

BNP Paribas (Suisse) SA
Report of the statutory auditor
for the year ended
31.12.2012

Opinion
In our opinion, the consolidated financial statements for the year ended December 31, 2012 give a fair view of the patrimony, of the financial situation and of the results, according to the Swiss law and the consolidation and valuation principles as set out in the notes.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Deloitte SA

Alexandre Buga Licensed Audit Expert Auditor in Charge	Thierry Aubertin Licensed Audit Expert

Geneva, April 16, 2013
AB/THA/rja

BNP Paribas (Suisse) SA

Statutory financial statements at 31 December 2012

Balance sheet at 31 December 2012

(with prior year comparative data)
(in CHF)

ASSETS

	31.12.2012	31.12.2011
Cash and cash equivalents	2'129'816'912	230'604'468
Money market instruments	5'012'889'008	7'127'022'276
Due from banks	4'874'376'926	7'423'028'489
Due from customers	12'418'622'770	11'758'664'927
Mortgage loans	882'442'683	1'001'508'235
Securities and precious metals trading portfolio	1'699'798'495	1'261'874'598
Non-current financial assets	1'581'477'760	2'198'124'328
Equity investments	50'744'007	51'263'974
Property, plant and equipment	200'098'684	228'467'243
Accruals and prepayments	414'527'791	382'874'735
Other assets	236'450'021	633'594'240
Total assets	**29'501'245'057**	**32'297'027'513**
Total due from Group companies and significant shareholders	**8'785'800'832**	**12'432'863'688**

Statutory income statement 2012

(with prior year comparative data)
(in CHF)

LIABILITIES AND EQUITY

	31.12.2012	31.12.2011
Money market instruments	607’026	221’340
Due to banks	7’057’076’028	8’280’863’939
Due to customers in the form of savings and investments	116’539	117’424
Other amounts due to customers	17’369’506’834	18’812’436’062
Accruals and prepayments	369’930’372	334’694’148
Other liabilities	308’358’987	629’081’818
Value adjustments and provisions	1’259’248’439	1’166’285’395
Reserves for general banking risks	135’948’560	135’948’560
Share capital	320’270’600	320’270’600
General statutory reserves	617’880’227	617’880’227
Reserve for treasury shares	95’026	95’026
Other reserves	536’213’368	536’213’368
Retained earnings	1’251’541’010	1’251’537’893
Net income for the year	274’452’041	211’381’713
Total liabilities and equity	**29’501’245’057**	**32’297’027’513**
total subordinated liabilities *		**805’000’000**
Total due to Group companies and significant shareholders	**6’338’346’733**	**5’797’762’466**

* All subordinated notes subscribed by BNP Paribas SA were reimbursed after receiving approval from the FINMA on 4 April 2012.

Statement of off-balance sheet items at 31 December 2012

(with prior year comparative data)
(in CHF)

	31.12.2012	31.12.2011
Contingent liabilities	10’432’910’618	14’235’509’391
Irrevocable commitments	3’575’526’213	3’517’807’422
Guarantees	743’911’374	1’069’718’683
Derivative financial instruments:		
Contract volume	22’983’673’558	37’316’818’256
Positive replacement values	183’325’048	548’400’903
Negative replacement values	231’078’692	533’576’492
Fiduciary operations	197’662’933	432’160’281

Income statement for the year ended 31 December 2012

(with prior year comparative data)
(in CHF)

	31.12.2012	31.12.2011
Net banking income		
Net interest income		
Interest income	680'450'516	674'231'242
interest income and dividends from trading portfolios	38'906'325	45'931'665
Interest income and dividends from non-current financial assets	170'152'894	26'515'234
Interest expense	(380'686'947)	(298'258'276)
Net interest income	508'822'788	448'419'865
Fee income		
Fee income from lending activities	235'054'972	262'731'178
Fee income from trading activities	214'639'602	245'951'148
Fee income from other services	16'228'811	16'550'184
Fee expense	(58'158'185)	(58'061'639)
Net fee income	407'765'200	467'170'871
Gains or losses on proprietary trading	**23'886'086**	**10'048'113**
Other ordinary banking income and expense		
Gains or losses on the disposal of non-current financial assets		2'013'202
Income from equity investments	5'711'199	16'427'382
Gains on property sales	1'848'821	2'350'419
Other ordinary banking income	49'466'843	39'951'728
Other ordinary banking expenses	(248'532)	(815'385)
Net other ordinary banking income	56'778'331	59'927'346
Operating expenses		
Employee benefits expense	(372'476'062)	(388'170'508)
Other operating expenses	(167'232'909)	(164'848'814)
Total operating expenses	(539'708'971)	(553'019'322)
Gross operating income	**457'543'434**	**432'546'873**
Depreciation and amortisation of non-current assets	(37'880'564)	(43'173'611)
Value adjustments, provisions and losses	(156'124'905)	(281'819'545)
Net income before non-recurring items and taxes	263'537'965	107'553'717
Non-recurring income	71'630'883	156'691'781
Non-recurring expense	(1'422'330)	(13'436'788)
Taxes	(59'294'477)	(39'426'998)
Net income for the year	**274'452'041**	**211'381'713**

BNP Paribas (Suisse) SA

Appropriation of distributable earnings recommended by the board of directors to the annual general meeting

(with prior year comparative data)
(in CHF)

	31.12.2012	31.12.2011
Net income for the year	274'452'041	211'381'713
Retained earnings	1'251'541'010	1'251'537'893
Distributable earnings	**1'525'993'051**	**1'462'919'606**
Appropriation of distributable earnings		
Dividend		
- CHF 281 per CHF 100 registered share	899'960'386	
- CHF 66 per CHF 100 registered share		211'378'596
Retained earnings	626'032'665	1'251'541'010
	1'525'993'051	**1'462'919'606**

BNP Paribas (Suisse) SA

Notes to the statutory financial statements for the year ended 31 December 2012

(figures in thousands of CHF unless otherwise stated)

1. Business review and employees

BNP Paribas (Suisse) SA («the Bank») houses all the corporate and investment banking and wealth management activities of the BNP Paribas Group («the Group») in Switzerland.

In corporate and investment banking, the Bank's activities encompass specialised financing - particularly international trade finance - primary market issuance and placement, and proprietary trading in the foreign exchange, fixed-income and equity derivatives markets.

Wealth Management focuses exclusively on international clients with substantial assets, providing personalised services such as investment advice, discretionary management, tax and wealth planning.

The Bank is in charge of cash management for all banking businesses and entities in its scope of consolidation.

It has a share capital of CHF 320.3 million.

The Bank has branches in Basel, Lugano, Zurich, Guernsey and Jersey and subsidiaries in the United Arab Emirates and Monaco. The BNP Paribas (Suisse) SA, Jersey Branch was created on 2 November 2012. It has taken over the fiduciary deposits business of the Guernsey branch office and is also developing wealth management operations.

The Bank provides an information systems hub for some of the BNP Paribas Group's Swiss and foreign entities. It outsources its information systems requirements to the Swiss subsidiary of BNP Paribas Partners for innovation, a joint venture between BNP Paribas SA Paris and IBM France. It also outsources its back office activities for bond trading to BNP Paribas SA London branch, its administration and accounting activities for equity derivatives to BNP Paribas Arbitrage Paris and its back office activities for equity derivatives to Fortis Bank NV/SA Brussels.

At 31 December 2012, the Bank had 1,577 employees (2011: 1,705).

2. Significant accounting policies

The statutory financial statements have been prepared in accordance with the by-laws, the Swiss Code of Obligations, the Federal Banking Law and the directives on the preparation of financial statements issued by the Autorité Fédérale de Surveillance des Marchés Financiers (FINMA).

A) ACCOUNTING POLICIES

• Translation of foreign currency transactions and balance sheet items
Balance sheet items in foreign currencies are translated into Swiss francs at the year-end rate.

Income statement items in foreign currencies are translated into CHF at the rate prevailing on the transaction date. The only exception to this principle is a proportion of net revenue generated in USD, which is translated at the rate for the currency positions taken during the year to hedge the exchange rate risk on this revenue. The average USD/CHF exchange rate used to translate the US dollar revenues in the year was CHF 0.9409 (2011: 0.8901).

In view of the US dollar rate at end-2012, the Bank has not hedged its 2013 revenues.

The following year-end rates were used for the main currencies:

	31.12.2012	31.12.2011
USD/CHF	0.91400	0.94070
EUR/CHF	1.20600	1.21650
YEN/CHF*	1.06185	1.21450
GBP/CHF	1.48020	1.45665

*Rate per 100 yens

• Recognition of transactions
Transactions are recognised on their value date, with the exception of derivatives, securities and some transfers, which are recognised on the transaction date. The Bank's Senior Management believes that the impact of this treatment is not material.

• Accrual accounting
Income is recognised when earned or accrued and expenses when incurred.

• Money market instruments
Money market instruments comprise discounted bills, certificates of deposits purchased from BNP Paribas SA Paris and Swiss National Bank treasury notes. They are measured at cost on the balance sheet date.

• Due from customers
Loan and guarantee facilities granted to customers are measured at their face value. Provisions are taken for known or estimated losses on the balance sheet date on a case-by-case basis.
Interest and fee income more than 90 days in arrears is considered as doubtful and a provision is taken. Specific provisions for principal and interest are recognised as a liability and deducted from the corresponding assets.

For the mortgage lending business taken over by the Bank from the former Fortis Bank (Suisse) SA, loans that have not been impaired on an individual basis are assessed for risk on a collective basis using the BNP Paribas Group's internal rating system, which is based on historical data adjusted where appropriate to take account of specific local features and circumstances prevailing on the balance sheet date.

In addition, at 31 March 2012, the same risk analysis was applied to corporate and investment banking (CIB) loans. Collective reserves are recognised on a centralised basis in the accounts of BNP Paribas SA Paris for all the subsidiaries and branches concerned, including BNP Paribas (Suisse), and have been recorded in the accounts of these entities retrospectively to 1 January 2012.

This assessment is used to identify pools of loans which, given events that have occurred since they were granted, have a collective probability of default at maturity that constitutes objective evidence of impairment across the entire portfolio, but cannot be individually allocated to the loans comprising that portfolio. The assessment also provides an estimate of the relevant losses taking account of trends in the economic cycle over the assessment period. Estimated losses are recognised as a liability in the balance sheet and then offset in assets as an additional collective value adjustment which is charged through profit or loss under the line item «Value adjustments, provisions and losses». When a potential loss can be individually allocated, a specific value adjustment is recognised by debit to the additional collective provision.

Additional collective value adjustments amounted to:

CHF million	31.12.2012	31.12.2011
Sector provision for mortgage loans	9.2	13.3
Collective reserve for CIB	18.2	

Loans secured by property assets are recognised in the balance sheet under «Mortgage loans».

• Securities held for trading

Fixed or variable income securities held for trading are measured at market value.

• Non-current financial assets

Non-current financial assets comprise interest-bearing securities which the Group intends to hold to maturity and investments in bonds, interest bearing securities, shares or similar securities held for the sole purpose of earning a satisfactory return in the medium-term but without any management involvement in the issuing companies.

Interest-bearing securities which the Group intends to hold to maturity are measured at cost. The difference between the cost and redemption value of bonds is amortised on a straight-line basis until maturity (accrual method) and the amortisation charge is recognised through profit or loss under «Interest and dividend income from non-current financial assets».

Listed equities are measured at the lower of cost or market value. Unlisted equities are measured at the lower of cost or intrinsic value. A provision is taken for any negative difference and recognised under «Other ordinary banking expenses». Subsequent provision reversals are recognised under «Other ordinary banking income».

• Stock lending and repurchase agreements

Repurchase agreements and stock loans remain on the balance sheet and are measured in accordance with the accounting principles applicable respectively to securities held for trading and non-current financial assets provided that the Group retains the benefit of the rights attached to the relevant securities. Amounts received from the sale of securities under repurchase agreements or received as collateral for the stock loans are recognised in the balance sheet under «Due to customers» or «Due to banks «. Interest expense on these commitments is recognised in the income statement on an accrual basis.

Reverse repurchase agreements and stock borrows are not recognised on the balance sheet unless the counterparty has transferred the power to dispose of the relevant securities. Amounts paid for the purchase of securities under reverse repurchase agreements or given as collateral for stock borrows are recognised under due from customers or due from banks as applicable. Interest income on these assets is recognised in the income statement on an accrual basis.

• Equity investments

Permanent equity investments are measured at cost. Investments in foreign currencies are translated at the exchange rate prevailing on the date of acquisition or 31 December 2008 for investments acquired before that date (historical cost convention).

A provision is recognised for any prolonged impairment in value.

Equity investments in foreign currencies are refinanced in the same currency and translated at the closing rate.

• Property, plant and equipment

Property, plant and equipment, which also include intangible assets, are depreciated on a straight-line basis over their estimated useful lives. They are measured at cost less accumulated depreciation.

If there is evidence of impairment or a change in estimated useful life, an exceptional write-down is made and the residual carrying amount is then depreciated over the new estimated useful life. Depreciation and exceptional write-downs are recognised in the income statement under «Depreciation and amortisation of non-current assets». If the reasons for the exceptional write-down no longer apply, a full or partial reversal of the impairment charge taken in prior periods is recognised in non-recurring income.

The depreciation periods used for the main asset categories are as follows:

• Buildings	10 to 60 years depending on parts
• Furnishings and furniture	5 years
• Office equipment	3 years
• Other hardware	5 years
• Software	3-5 years
• Customer portfolio	5 years

• Issues

Structured bond issues made on behalf of institutional clients are measured at market value.

• Value adjustments and provisions

Provisions are taken for impairment of on- and off-balance sheet assets and for litigation risks. All value adjustments and provisions are recognised under «Value adjustments and provisions», other than provisions for non-current financial assets and specific loan loss provisions, which are deducted from the corresponding asset in the balance sheet.

• Employee benefit obligations

Obligations arising from existing pension plans are measured and provided for on the balance sheet using the actuarial method recommended in Swiss GAAP RPC 16. Provisions taken correspond to the net present value of the obligation at the balance sheet date (see note 3.4 below).

Employee benefits other than pensions, such as retirement bonuses and jubilees, are expensed as and when earned by the Bank's employees.

• Derivative financial instruments

Derivative financial instruments and measured as follows:

For arbitrage activities, changes in fair value of instruments traded on organised markets are recognised through profit or loss under «Gains or losses on proprietary trading».

This principle also applies to over-the-counter swaps, in which case market value is equal to the net present value of future cash flows.

Gains or losses on derivative instruments designated as micro- or macro-hedges are measured and recognised in the same way as gains or losses on the hedged items. Macro-hedges are mainly used for managing balance sheet items with no fixed maturity. Gains or losses are recognised in interest income and expense. Any difference compared with market value is recognised in the set-off account in the balance sheet.

Gross replacement values shown in the balance sheet under «Other assets» and «Other liabilities» correspond to the market value of derivative financial instruments arising from trading on behalf of clients and on own account, held on the balance sheet. Gross positive replacement values represent receivables and gross negative replacement values represent liabilities. The respective positions held at the balance sheet date are disclosed in notes 3.1 and 3.2.

Positive and negative replacement values of IRSs and FRAs entered into with the same counterparty are netted if a netting agreement has been signed with the counterparty.

• Taxes

Provisions are taken for tax on the year's net income and on taxable equity at the year-end, after taking account of any tax loss carryforwards from prior fiscal periods.

Other indirect taxes and duties are recorded under «Other operating expenses».

• Fee income
Depending on its nature, fee income is recognised in the income statement when debited to the client or an accrual basis (fiduciary fees, fees billed periodically, fees on syndicated loan participation and some financing fees).

• Reserves for general banking risks
The Bank takes reserves for general banking risks to cover the risks inherent in the banking business which are not covered by specific provisions. These reserves are recognised as equity and have been taxed.

• Contingent liabilities, irrevocable commitments and guarantees
Off-balance sheet items are shown at their face value. Provisions are taken for identified risks and recognised as a liability on the balance sheet.

B) RISK MANAGEMENT REVIEW

• Introduction
The Board of Directors assesses risk during Board meetings based on an ad hoc report prepared by Senior Management.

The risk policy is described in three directives approved by the Bank's Board of Directors, dealing with the general risk policy, trading policy and interest rate risk policy. These directives set out the organisational framework, responsibilities and authorities as regards risk management processes (identification, measurement, control, reporting and supervision).

• Interest rate risk
The Bank is responsible for managing and monitoring all interest rate risks on forward and futures transactions carried out by the Bank and its consolidated banking entities. It is also responsible for ensuring compliance with the BNP Paribas Group's policies on structural interest rate risk on non-maturity assets and liabilities carried on the balance sheets of all consolidated banking entities (equity, customer sight deposits).

In addition to these positions, the Bank trades on its own account within the limits set in its internal regulations.

Its treasury activities are governed by a system of limits and delegated signature authorities. The Board of Directors' Committee is responsible for setting global limits for interest rate risk exposure. They are drilled down into operational limits by the Senior Management's Markets Committee. Monitoring interest rate risk is the responsibility of a unit that is independent from the operating departments.

• Other market risks
The Bank trades in the financial markets in accordance with the directives issued by the Swiss Bankers Association on derivatives risk management applicable since 1 July 1996.

The key components of its control system are:

- position limits for each business and maximum loss estimates for trading;

- credit limits by counterparty;
- real time monitoring of trading activities and a weekly performance analysis for interest rate maturity mismatching activities;
- a detailed reporting system for reporting to the committees responsible for overseeing market and credit risk.

The Bank uses the internal value at risk model used by all BNP Paribas Group entities. The model uses simulation techniques and estimates potential losses on market activities based on the historical volatility of the main inputs (interest rates, currency rates, securities prices) likely to lead to a change in portfolio value and the historical correlations between these variables.

• Credit risk
Credit risk management is delegated to various parts of the Bank in accordance with its internal regulations and «general risk policy». Credit limits are granted under delegated signature authorities. Loans are classified according to an internal risk rating system which is used to measure the quality of credit portfolios. Credit files are comprehensively reviewed at least once a year.

All credit applications must be approved by an internal credit committee whose powers and signature authorities are defined by the Board of Directors' Committee.

The risk management department, which reports to Senior Management, regularly controls compliance with delegated credit limits and internal rating classifications.

It also controls credit quality and reports regularly to Management on any borrowers potentially in difficulties. Provision requirements are determined monthly.

• Country risk
As regards sovereign risk, the Bank is part of the centralised risk management system established by its parent company, BNP Paribas SA Paris. The principles and methods applied by the BNP Paribas Group for country risk comply with the directives issued by the Swiss Bankers Association.

The BNP Paribas Group has ad hoc committees that set limits by area and country, which include credit facilities granted by the Bank. These committees are also responsible for regular analysis and measurement of country risk outside the EU and OECD. These countries are classified in increasing order of risk and there is a minimum provisioning requirement for each category. However, no provision is taken locally as BNP Paribas SA Paris is responsible for taking all required country risk provisions based on information reported by BNP Paribas Group entities. In addition, loans are weighted according to maturity structure and transaction type.

• Operational and reputational risk
The Bank has dedicated units for identifying, measuring and controlling risks related to the operational aspects of its activities, and particularly with regard to compliance, information systems and legal and tax risks.

An internal control committee meets periodically to review the operational risk management system, permanent controls, compliance and ethics, and to monitor implementation of recommendations made by the external or internal auditors.

Following the Swiss Federal Court decision of 30 October 2012, the Bank carried out an estimate of the risk of reimbursement of the retrocessions received under discretionary management agreements and recognised a provision of CHF 6.3 million for this purpose.

In addition, the Bank continued its retrospective internal review of the transactions liable to be deemed to be inconsistent with the economic sanctions imposed by the US authorities. It is noted that similar reviews were carried out by a number of institutions and, in many cases, they led to settlement agreements negotiated as a function of circumstances on a case-by-case basis.

C) POLICY FOR USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Proprietary trading activities are conducted in accordance with directives governing market and interest rate risk management.

The Bank trades in derivative financial instruments on behalf of its clients. Transactions cover foreign exchange (forward currency contracts and currency options), equity options, stock indices, fixed-income, precious metals and futures.

For these transactions, the Bank calculates a risk equivalent to determine the amount of collateral required. In principle, the risk equivalent is either the replacement value plus an add-on or the usual margin calculated by the market.

Margin calls are made if the value of the assets provided as collateral is no longer adequate for the risk.

3.
Notes to the balance sheet

3.1
OTHER ASSETS

	31.12.2012	31.12.2011
Positive replacement values	183'325	548'404
Netting account	15'718	20'723
Suspense account	15'914	19'207
Other	21'493	45'260
	236'450	**633'594**

3.2
OTHER LIABILITIES

	31.12.2012	31.12.2011
Negative replacement values	231'079	534'590
Suspense account	14'724	12'426
Other	62'556	82'066
	308'359	**629'082**

3.3
ASSETS ASSIGNED AS COLLATERAL FOR OWN COMMITMENTS AND ASSETS SUBJECT TO RETENTION OF TITLE

At 31 December 2012, assets assigned as collateral were broken down as follows:

	31.12.2012	31.12.2011
Stock lending and repurchase agreements		
	Amount or value of the pledge	
Cash collateral receivables		2'132'753
Cash collateral payables	325'405	1'263'356
Carrying amount of securities held on own account, lent or assigned as collateral	35'900	130'350
Securities received as collateral under stock lending transactions, stock borrows and repurchase agreements with an unconditional right to sell or re-use as collateral	4'570'998	3'031'379
Stock lending and repurchase agreements	4'932'303	6'557'838

3.4
PENSION FUND COMMITMENTS

The credit balance on current accounts held by pension funds with the Bank at 31 December 2012 amounted to CHF 12.5 million (2011: CHF 73.9 million).

All employees of the Bank are affiliated with a pension fund common to all BNP Paribas Group entities in Switzerland. The fund provides its affiliates with pension benefits in exchange for contributions.

The Bank's managers and Senior Management members are also affiliated with a supplementary pension fund in exchange for contributions.

The latest audited annual financial statements for the pension funds at 31 December 2011 prepared in accordance with Swiss GAAP RPC 26 show a coverage rate of:

- 104.5% for the BNP Paribas Group Swiss pension fund,
- 103.3% for the Executive supplementary pension fund.

The coverage rates at 31 December 2012 were:

- 108.7% for the BNP Paribas Group Swiss pension fund,
- 110.7% for the Executive supplementary pension fund

Neither of the funds is technically in shortfall. The surplus does not constitute an economic benefit for the Bank. Employer's contributions paid to the pension funds amounted to CHF 36.5 million (2011: CHF 43.6 million) and are identical to the contributions recognised in employee benefits expenses.

The Bank measures its pension obligation using the actuarial method for pension funds.

The Bank has guaranteed some categories of employee a level of benefits close to those offered by the original pension plan until the mergers that took place in 2001. It has therefore given the BNP Paribas Group Swiss pension fund an undertaking to finance the cost of implementing this guarantee. Provisions amounted to CHF 10.5 million at 31 December 2012 (2011: CHF 12.5 million).

3.5
VALUE ADJUSTMENTS, PROVISIONS AND RESERVES FOR GENERAL BANKING RISKS
(in thousands of CHF)

	Balance at 31.12.2011	Used for original purpose	Reco-veries, doubtful interest, exchange differences	New charges through profit or loss	Reversals released through profit or loss	Balance at 31.12.2012
Value adjustments and provisions for loan losses and other risks						
- Value adjustments and provisions for loan losses	404’160	(59’511)	13’658	41’012	(64’386)	334’933
- Value adjustments and provisions for other operating risks	19’604	(3’173)	(88)	6’307	(1’958)	20’692
- Restructuring provisions	1’264	(945)				319
- Provisions for pension commitments	12’461	(2’547)		593		10’507
- Other provisions	1’121’661		168	98’071		1’219’900
Total value adjustments and provisions	**1’559’150**	**(66’176)**	**13’738**	**145’983**	**(66’344)**	**1’586’351**
To be deducted:						
Value adjustments deducted directly to assets	(392’865)					(327’103)
Total value adjustments and provisions carried on the balance sheet	**1’166’285**					**1’259’248**
Reserves for general banking risks (1)	**135’949**					**135’949**

(1) Reserves for general banking risks are taxed upon initial recognition.

3.6
SHARE CAPITAL AND SHAREHOLDERS OWNING MORE THAN 5% OF ALL VOTING RIGHTS

Share capital	31.12.2012 Total par value	31.12.2012 Number of shares	31.12.2012 Share capital entitled to a dividend	31.12.2011 Total par value	31.12.2011 Number of shares	31.12.2011 Share capital entitled to a dividend
Equity capital	320’271	3’202’706	320’271	320’271	3’202’706	320’271
Total share capital	320’271	3’202’706	320’271	320’271	3’202’706	320’271

The equity capital comprises 3,202,706 registered shares with a par value of CHF 100.

Significant shareholders and groups of shareholders bound by a voting agreement		31.12.2012 Par value	31.12.2012 Percentage of voting rights	31.12.2011 Par value	31.12.2011 Percentage of voting rights
Voting rights	BNP Paribas SA, Paris	320’247	99,99	320’247	99,99
	Other	24	0,01	24	0,01
		320’271	100,00	320’271	100,00

3.7
STATEMENT OF CHANGES IN EQUITY
(in thousands of CHF)

Equity at 1 January 2012	
Paid-up share capital	320'271
General statutory reserves	617'880
Reserve for treasury shares	95
Other reserves	536'213
Reserves for general banking risks	135'949
Retained earnings	1'462'920
Total equity at 1 January 2012 (before appropriation of net income)	**3'073'328**
Dividend and other amounts deducted from prior-year net income	-211'379
Net income for the year	274'452
Total equity at 31 December 2012 (before appropriation of net income)	**3'136'401**
Including	
Paid-up share capital	320'271
General statutory reserves	617'880
Reserve for treasury shares	95
Other reserves	536'213
Reserves for general banking risks	135'949
Retained earnings	1'525'993

3.8
LOANS TO MEMBERS OF THE GOVERNING BODIES AND LOANS AND COMMITMENTS TO RELATED COMPANIES

Loans to members of the governing bodies

Loans to members of the governing bodies amounted to CHF 1.3 million at 31 December 2012 (2011: CHF 1.6 million). They are secured by property assets. The loans have been granted on an arm's length basis.

Loans and commitments to related companies

The following table shows gross loans and commitments to related companies (entities controlled by the parent company, BNP Paribas SA Paris:

	Loans		Commitments	
Balance sheet	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Sight accounts	218'885	539'043	84'780	313'955
Term accounts	650'608	554'258	465'820	954'667
Replacement values of derivatives	111	2'459	526	3'315

	Total volume	
Off-balance sheet	**31.12.2012**	**31.12.2011**
Contingent liabilities	185'044	48'867
Guarantee commitments	31'136	28'519
Derivative financial instruments		
- IRS	6'200	79'700
- Forward currency transactions	23'792	103'761
- interest rate futures	904'000	1'676'000
- OTC equity options	10'810	6'057
- Caps and floors	9'140	9'407
Fiduciary operations	457	20'578

Loans and commitments to Group companies and significant shareholders

Loans to Group companies and significant shareholders amounted to CHF 8,786 million at 31 December 2012 (2011: CHF 12,433 million). They mainly comprise the balance of interbank treasury transactions held with Group banks at the balance sheet date. These commitments bear interest at market rates.

Commitments to Group companies and significant shareholders amounted to CHF 6,338 million at 31 December 2012 (2011: CHF 5,798 million).

As part of its international trade finance business, the Bank has issued guarantees to and received guarantees from BNP Paribas Group banks for the following amounts

	31.12.2012	**31.12.2011**
Guarantees received	2'161'787	2'236'375
Guarantees issued	551'869	534'108

The Bank has given BGL BNP Paribas S.A. (Luxembourg) a liability warranty to cover any loss that might arise as a result of the litigation assumed by BGL BNP Paribas S.A. (Luxembourg) pursuant to its acquisition and merger of UEB (Luxembourg), former subsidiary of the Bank.

4. Notes to the statement of off-balance sheet items

4.1 FIDUCIARY OPERATIONS

	31.12.2012	31.12.2011
Fiduciary deposits		
Group banks	15'508	35'166
Other banks	181'926	394'878
Sub-total	**197'434**	**430'044**
Fiduciary loans		
Group banks		1'881
Non-banking clients	229	235
Sub-total	229	2'116
Total fiduciary operations	**197'663**	**432'160**

5. Notes to the income statement

5.1 GAINS AND LOSSES ON PROPRIETARY TRADING

	31.12.2012	31.12.2011
Derivative financial instruments	(17'663)	(20'411)
Notes	624	585
Currencies	40'925	29'874
Gains and losses on proprietary trading	**23'886**	**10'048**

5.2 Non-recurring income

Non-recurring income amounted to CHF 71.6 million in 2012, including CHF 66.3 million in the reversal of specific loan loss provisions and provisions for litigation taken in previous years, CHF 1.1 million in recoveries of written-off loans and CHF 1.4 million in gains on the disposal of equity investments. The balance of CHF 2.8 million comprises non-recurring income arising mainly from the regularisation of transactions recorded in prior years.

In 2011, non-recurring income amounted to CHF 156.7 million, including CHF 78.1 million for the reversal of specific loan loss provisions and provisions for litigation taken in previous years, CHF 3.1 million in recoveries of written-off loans, CHF 68.0 million in gains on the sale of property, plant and equipment, and CHF 5.7 million in gains on goodwill from the partial disposal of a business operation. The balance of CHF 1.8 million comprised non-recurring income arising mainly from the regularisation of transactions recorded in prior years.

5.3 Non-recurring expense

Non-recurring expense amounted to CHF 1.4 million in 2012, comprising CHF 0.7 million for retirement of intangible assets and CHF 0.4 million for retirement of property, plant and equipment. The balance of CHF 0.3 million comprises non-recurring expenses arising mainly on the regularisation of transactions recorded in prior years.

In 2011, non-recurring expense amounted to CHF 13.4 million, comprising CHF 11.9 million in an exceptional write-down of an intangible asset and CHF 0.8 million in property, plant and equipment retirements. The balance of CHF 0.7 million comprised non-recurring expenses arising mainly on the regularisation of transactions recorded in prior years.


BNP PARIBAS

Auditor's report

Deloitte.

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Report of the statutory auditor

To the General Meeting of
BNP Paribas (Suisse) SA, Geneva

Report on the financial statements

As statutory auditor, we have audited the accompanying financial statements of BNP Paribas (Suisse) SA, which comprise the balance sheet, income statement and notes (pages 67 to 89) for the year ended December 31, 2012. The previous year financial statements have been audited by another statutory auditor. That one delivered, in his report dated April 20, 2012, an unqualified audit opinion.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended December 31, 2012 comply with Swiss law and the company's articles of incorporation.

Deloitte.

BNP Paribas (Suisse) SA
Report of the statutory auditor
for the year ended
31.12.2012

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Deloitte SA

Alexandre Buga
Licensed Audit Expert
Auditor in Charge

Thierry Aubertin
Licensed Audit Expert

Geneva, April 16, 2013
AB/THA/rja

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BNP Paribas (Suisse) SA
Brand & Communication
June 2013

Graphic Designer: Printissimo SA

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BNP Paribas is IFR's
BANK OF THE YEAR 2012

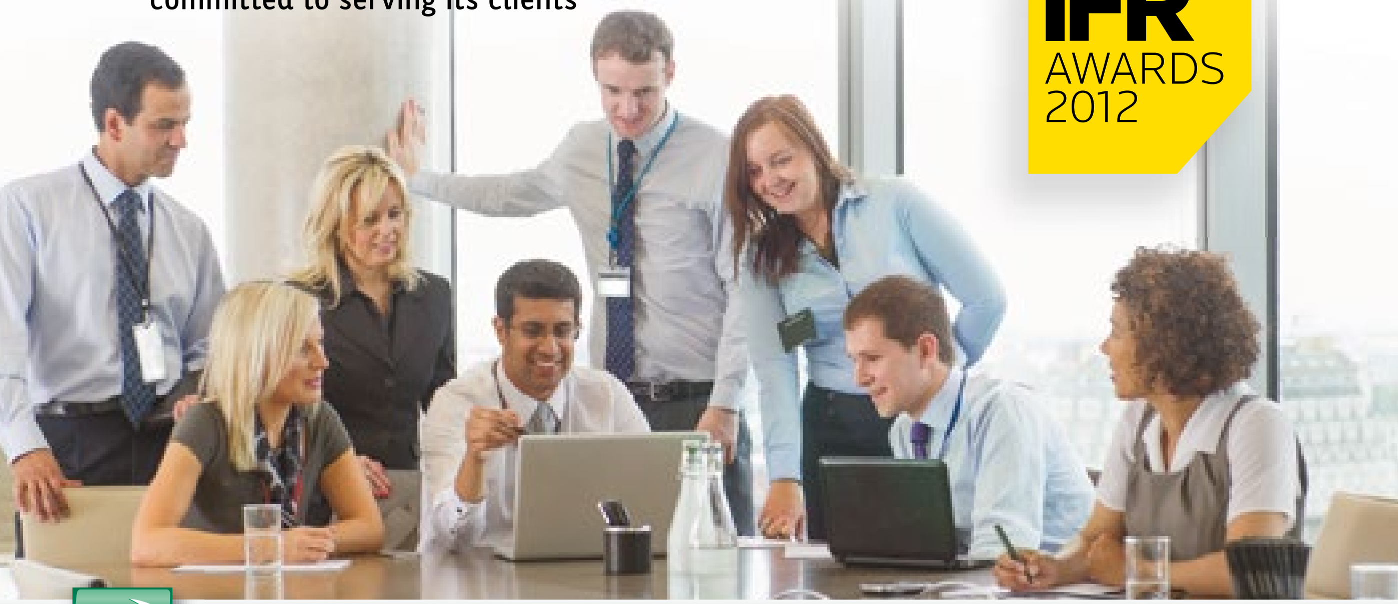
Thank you

to all **clients** **of the group in Switzerland** and around the world for choosing us as their bank

to all our **staff** around the world for their commitment

BNP Paribas, a responsible bank committed to serving its clients

IFR AWARDS 2012



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